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# **Daily Report**

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# Daiiy Report

## China

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**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### RENMIN RIBAO Gulf War 'Roundup'

HK2501032491 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 25 Jan 91 p 6

[("Roundup" by Zhu Mengkui (2612 1125 7608): "The Increasingly Fierce Gulf War")]

[Text] Up to 23 January, the Gulf War had lasted one week. The multinational forces led by the United States have made more than 10,000 sorties, bombarding Iraq and Kuwait on a large scale, while Iraq's anti-aircraft force fired back fiercely. At present, the two sides have not begun a large-scale ground battle, but the air and missile battles are becoming more and more intense. The flames of war are spreading.

From 17 to 19 January, the allied forces launched the "Desert Storm" operation, mainly attacking Iraq's airports, oil tanks, power plants, radar stations, command centers, communications centers, missile bases, chemical arsenals, and nuclear facilities. Beginning on 20 January, "Desert Storm" entered its second stage, and the main targets of the bombardments were shifted to the Iraqi ground forces and their heavy weapons deployed in Iraq and Kuwait. At the same time, the allied forces continued to search for mobile Scud missile launchers. Meanwhile, while adopting a defensive strategy, Iraq also dispatched fighter planes from time to time to intercept enemy planes and used ground gunfire to attack the allied forces stationed at the forefront. There were also small-scale raids at sea.

After war broke out, the United States hoped it would be a war of quick decisiveness. However, after several days of air raids, the allied forces held that the results of the initial battles were not as satisfactory as expected, and the war would thus be protracted. According to some military experts in the United States and other countries participating in the war against Iraq, the Iraqi air force has not incurred heavy losses, and they are preserving substantial military strength. If the continuous air attacks do not achieve the expected results, then the allied forces will have to face fiercer ground battles.

After the outbreak of the Gulf War, Saudi Arabia and Israel were attacked with missiles again and again by Iraq. Although Israel has so far not taken action against Iraq, it has always stressed that it reserves the right for retaliation. The United States and other Western countries were worried that once Israel was involved in the war, the multinational anti-Iraqi alliance would face a stern test. Iraq's purpose in attacking Israel was to shake the loose alliance between the multinational forces and to make the situation develop in a favorable way for Iraq.

In order to check the expansion and escalation of the Gulf War, many countries and international organizations have successively issued appeals and put forward peace proposals, urging Iraq to withdraw from Kuwait in

order to seek a peaceful solution to the Gulf crisis. At present, leaders of many countries are discussing the Gulf situation in order to coordinate their positions and seek a solution. They have also sent peace envoys to continue the mediation efforts. The international community is calling for the parties concerned to exercise restraint to the maximum degree in order to prevent the escalation and spread of the war that would cause greater disasters to the Middle East peoples, and to create favorable conditions and opportunities for the continuing efforts of the international community to seek a peaceful solution to the conflict.

### LIAOWANG Article Urges Iraqi Withdrawal

OW2501075691 Beijing XINHUA Domestic Service in Chinese 1249 GMT 24 Jan 91

[("Full Text" of Li Nan (2621 2809) article: "When Will the Gulf War End?"; to be published in the LIAOWANG 28 January issue)]

[Text] Beijing, 24 January (XINHUA)—Hundreds of aircraft and cruise missiles took off from U.S. warships and Saudi territory, and headed north and west to attack targets inside Iraq and Kuwait during a moonless night on 17 January. The sky over Baghdad was lit with flames and the ground was shaken by noise. Iraq retaliated with missiles, and a modern war erupted, with Iraq on one side and the multinational forces led by the United States on the other.

The Gulf war began in August last year when Iraq occupied Kuwait, bringing about the speedy deployment of troops in the Gulf region by the United States and many nations. The two sides each assembled more than 500,000 troops at the front line. Warships and war planes gathered in huge numbers and the situation became explosive. The international community tried to mediate and seek peace on many occasions, but Iraq refused to heed their exhortations or withdraw its troops from Kuwait. On the other hand, the United States, believing that political and economic sanctions would not easily take effect, quickly resorted to force. All efforts to defuse the situation and prevent war ended in failure.

The Gulf and Middle East regions have long been the focus of many conflicts. Many big powers are deeply involved and all sides have their eyes on the rich oil reserves. The conflict of interests has been around for a long time and the reasons leading to the current war in the Gulf are both immediate and historic. One could say that the factors leading to an outbreak of large-scale war in the Gulf are many. This is a complicated war.

When the Gulf war erupted, it captured the attention of the world. Everyone is concerned with how the war may evolve. Fighting in the last few days is still in the initial phase. The U.S. side favors a short war and hopes to fight one with fewer casualties, according to the general assessment. The war technology of the multinational forces is far better than that of Iraq. They enjoy great superiority in the air and sea, and will take advantage of

it at first. The United States abided by its words and the continuous air bombardment of Iraq and Kuwait by the air forces and missiles of the multinational forces proves this. Iraq lags far behind in sea and air power as well as in technology, but has stated time and again that it has a million-strong battle-tested army. Lately, it has continued to call up more soldiers, and has issued guns and ammunition to residents in the capital. The motive is quite clear: Iraq intends to go to war and fight the multinational forces when they launch their attacks after the strategic and tactical bombings. The state of its combat strength and morale is another matter.

The famous Chinese militarist of ancient times, Sun Zi, said: "War is an art of deception." War has always been a dangerous act that is unpredictable and difficult to control. When war starts, all hell can break loose, forces may change side, and changes are quick and unpredictable. Although the parties concerned may have planned every move, it is impossible for them to achieve every wish. One has to wait for the actual events to happen before knowing the outcome.

However, the Gulf war is a disaster, whatever the prospect may be and no matter how the battles evolve. It is likely to have an unfavorable effect on many countries of the world, on the international economy, and on world peace as well as on the ecological environment and social stability. As the war evolves, it is only natural that the peoples of Iraq and Kuwait will experience the tragic calamity first. Saudi Arabia and the countries near the battlefield in the Gulf and Middle East will also suffer. As one of the main belligerent countries, the United States is facing a serious challenge. The drain and cost in terms of manpower and material resources will be unavoidable. European countries have always relied on oil from the Middle East, and will suffer a serious blow. Some countries of the world are already besieged with many problems of their own, and their economic lifeline is closely linked with the Middle East and Gulf region. The disaster of war undoubtedly will aggravate their problems.

If the war spreads, the disasters and adverse influence gradually will intensify, casualties on both sides will mount, oil resources will be seriously damaged, and the tides of refugees will follow. Many regions soon will be faced with economic recession. These are outcomes one could not but note when war broke out.

The world reacted strongly when the news of war spread. There was no consensus of viewpoints due to the differences in stance and interests. Many countries expressed their regrets, sorrows, anxieties, and the hope that the war will not escalate and spread. They also called on the United Nations and international organizations and communities to take new steps to end this bloody war quickly.

Many factors of conflict accumulated in the Gulf and Middle East region, and the feeling of hostility is quite strong. War can spread easily and more powers could get

themselves involved in the hostilities. Under these circumstances, it is a matter of utmost urgency to prevent the spread of the war. What the parties concerned should consider is that if fighting spreads, there will be more wars. The situation will deteriorate, become more difficult to control, and it will be harder to reach a settlement.

The calls around the world urging the international community not to give up efforts to seek channels for restoring peace are rational and realistic. Wars are always settled with some kind of treaty. In the history of war, it is not unusual to see attempts to seek peace through negotiation set in motion while the fighting is going on. In this grave moment, it is still necessary for the international community to get rid of the difficulties and continue to explore political and diplomatic ways to resolve the issue. This is neither a redundant nor an ill-timed move.

At present, people are hoping that the two warring parties will exercise the greatest degree of restraint and prevent the spread of the war. Of course, the preconditions for ending the Gulf war still are the withdrawal of Iraqi forces from Kuwait and the restoration of Kuwait's independence, sovereignty, and territorial integrity. Iraq put itself in a passive position by attacking and occupying a member of the United Nations overnight. If Iraq were to withdraw from Kuwait now, this single move would change the entire situation and rapidly restore peace to the Gulf region, thereby creating the conditions conducive to a settlement of the entire Middle East issue.

#### **'Low Profile' Approach to Gulf War Analyzed**

*HK2501023591 Hong Kong SOUTH CHINA MORNING POST in English 25 Jan 91 p 21*

[“Analysis” by David Chen]

[Text] The Beijing Government, while monitoring the Gulf War closely, is keeping a low profile.

It has made no comment on whether the Kuwaiti question should be linked to the Palestinian one.

Nevertheless, certain non-aligned nations such as India and Yugoslavia and Yasir 'Arafat's Palestinian Liberation Organisation are calling for some reaction from China, however vague and probably futile it may be.

Indeed, China realises there is very little it can do. There is still no clear picture of the situation in the Middle East although it does appear that the conflict will continue for much longer than originally expected.

China and the Soviet Union are the only two permanent members of the Security Council that have not sent troops to join the United Nations forces in executing a UN resolution to eject Iraqi forces from Kuwait.

Although China supports several UN resolutions calling for an Iraqi withdrawal, it has also made clear its position that the Kuwaiti issue should be solved by the Arab countries themselves.

Now that war has broken out, it will be difficult for Beijing to express any support either for the United States or for Iraq.

Early last week, China gave an ambiguous reply to Soviet President Mikhail Gorbachev's letter, calling for joint efforts to end the conflict. And it has yet to reply to Mr. Arafat's appeal that Beijing play a more active role in seeking a solution to the War.

Beijing is aware of a vigorous initiative by India for a ceasefire. However, it is yet to be convinced that such an initiative will work, noting that however sincere India and Yugoslavia are, their voices may not be strong enough for both the United States and Iraq to pay heed.

There are certain options for China:

- Beijing chooses not to support either party, although publicly it may repeat its stand of wishing to see the issue resolved by Arab nations themselves.
- Beijing joins Moscow in tabling a resolution in the Security Council calling for a ceasefire so that steps for a peace conference can be implemented.
- Beijing joins the non-aligned nations in a similar proposition.

Should the Gulf crisis develop into a full-fledged war affecting the whole of the Middle East, Beijing might benefit by being a major alternative source of oil.

But the resulting world economic chaos would be devastating to China, which is still trying to work out its eighth five-year plan for economic progress.

Any setback to China's economic growth, which is only beginning to recover from the after-shock of the 1989 Tiananmen Square crackdown, will seriously affect the country's domestic situation, bringing about both political and economic instability.

It is, therefore, imperative for Beijing to shoulder some responsibility to bring an end to the Gulf crisis, but given the present uncertainties, it is yet to find a suitable course of action.

#### Article Views Gulf War's Economic Impact

HK2401144291 Hong Kong TA KUNG PAO in Chinese  
21 Jan 91 p 4

[Report by reporter Ho Sui Yi (0149 4482 1837): "Third Part of Report on Guangzhou Experts' Views on Effects of Gulf War on World Economy"]

[Text] Guangzhou, 20 Jan (TA KUNG PAO)—Experts here hold this view: Although the Gulf war has had an impact on the world economy, it has, objectively speaking, created a rare opportunity for Hong Kong, Macao, Taiwan, and the mainland to supplement one another and to develop themselves.

#### Direct and Indirect Influences

The impact on oil supplies can be said to be the direct influence; however, since the 1980's, Hong Kong has adopted a series of measures to reduce its dependence on oil. In 1980, it was totally dependent on imported oil, while at the end of the 1980's its oil dependence was reduced to only 36 percent, as it had shifted to natural gas as the main fuel. Moreover, 70 percent of its oil is imported from Singapore and only 10 percent is from the Middle East. Therefore we say that the direct influence will not be great even if it exists.

One should not neglect the indirect influence, however. Professor Zhang Zhongshen pointed out that Hong Kong's commodity trade volume to the United States accounts for 30 to 37 percent of its total annual export volume. The war will definitely affect its export volume to the United States, and it is difficult to estimate the extent of the influence. Moreover, it is estimated from a variety of information that the rate of inflation for Hong Kong this year will be nine to 10 percent, but it may rise to a two-digit figure on account of the Gulf war.

Experts maintain that the efforts and the achievements of Mainland China in promoting and boosting Hong Kong's economy are particularly crucial. This is most obviously demonstrated in China's 10 years' reform and opening up and generally recognized by the Hong Kong Government and economic circles. After the Gulf war broke out, U.S. President Bush said when interviewed by reporters: "A new international order will be established when the crisis has been resolved." This, of course, includes government and economy. So, at this turning point, Hong Kong may have become aware that it needs to strengthen its reliance on the mainland in its direction and emphasis of economic and trade cooperation.

Zhang Zhongshen said: As one of the international trade centers and cities, Hong Kong, although very small in size, has many advantages—for instance, the possession of international information and an abundance of talented people. Moreover, for several decades, China has played a supporting role by supplying raw materials, rendering financial support, processing products, and conducting product tests. Furthermore, with the active brains of Hong Kong businessmen and entrepreneurs in trade and economy, their quick responses, and their strong adaptability to industrial readjustments, they play the role of a vanguard for China's economic circles. Although the Gulf war has broken out, it is believed that Hong Kong's close exchanges and cooperation with the mainland will not change and will have better potential for development.

#### Closer Cooperation Between the Regions Expected

Provincial Academy of Sciences research fellow Liao Jianxiang said: China's annual oil output is approximately 40 million metric tons, of which 30 million metric tons are for export. If Singapore's oil supplies to Hong Kong, which come from the Middle East, are affected, Hong Kong will naturally turn to the mainland.

It is learned that since the beginning of the Gulf crisis, various countries, including Taiwan, Japan, and Singapore, have strengthened their intention of developing China's offshore oilfields. The prospects for cooperation are good.

Hong Kong's exports and investments in the Asia-Pacific region have been increasing in recent years. Now that the Gulf war has broken out, its economic growth rate will slow down. How will Hong Kong reduce the negative influence? Zhou Weiping, executive vice chairman of the National Hong Kong and Macao Economic Research Association, held: In order to expand the Asia-Pacific market and sales to this region, with the gradual development of the economic strength of China's coastal areas, especially Guangdong, Hong Kong can consider increasing the proportion of economic cooperation with the mainland before expanding to other Asia-Pacific countries. This "winding" mode is aimed at getting itself out of the difficulty by seeking more outlets on the level of opening up markets.

#### **Study the New Order After the War**

In addition, Hong Kong has always succeeded in maintaining the competitiveness of its products because it is, to a large extent, supported by Guangdong. Although the comprehensive basis of Hong Kong's industrial setup is inferior to Taiwan's and South Korea's, the fact that its labor-intensive enterprises have moved to the north in large numbers has reduced production costs. Therefore, Hong Kong still possesses advantages. Today, when the war has become an extremely great hindrance to investment in such Southeast Asian countries as Thailand and the Philippines, which depend on oil from the Middle East, Hong Kong must pay more attention to high-level and diversified cooperation with the mainland, and should develop from the simple supplementation of production factors to structural cooperation. Whether as a supporting force or a base for Hong Kong's economy, the factor of China is what South Korea and Singapore lack.

Luo Youling said: I wonder whether Hong Kong will try to study the Middle East situation after the war side by side with relevant authorities in the mainland because the matter of reconstruction after the war covers an extremely wide area. Hong Kong and the mainland have had a fairly good foundation in carrying out economic activities in the Middle East, and labor services, the construction industry, agriculture, trade, and the tourist industry are very promising. It is high time they began the study.

#### **IPU Conference To Examine Gulf War's Impact**

*OW2401161791 Beijing XINHUA in English  
1414 GMT 24 Jan 91*

[Text] Bangkok, January 24 (XINHUA)—An inter-parliamentary conference on economic cooperation in

the Asia-Pacific region will be held next week in Thailand to discuss issues of regional economic development and what impact the region faces from the Gulf crisis.

According to Information Officer Mechel Barton of the Inter-Parliamentary Union (IPU) here today, official delegations from the parliaments of more than 30 countries will attend the conference opening next Monday in Jomtien, a coastal resort about 130 kilometers south of Bangkok.

Besides the impact of the Gulf crisis on the regional economic development, parliamentarians will address the problems of and prospects for primary commodities, industrialization, dynamics of the services sector in the region's economic development, the merging trends in trade, investment and technology transfer, and approaches through which economic cooperation in the region can be sustained, he said.

The conference is organized by the IPU and the National Assembly of Thailand with the support of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), he added.

Founded in 1889, the IPU is an international organization which brings together the representatives of the parliaments of sovereign states. A total of 113 of the 148 parliaments established in the world's sovereign states, including China, are currently affiliated to the IPU.

#### **Article Speculates on New International Order**

*HK2301154591 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 1, 7 Jan 91 p 12*

[Article by Ren Zhengde (0117 2973 1795): "What New International Order Is To Be Established?"]

[Text] Since the beginning of the 1990's, drastic changes have taken place in the international situation. The old world pattern has been smashed; the bipolar structure, with the United States and the Soviet Union at the core, has generally disintegrated; and the trend toward multipolarization is obviously developing. However, a new world pattern has not yet taken shape, various contradictions in the relations between states are complex, and turbulence and crises have taken place one after another. As a new world pattern is replacing the old and a new international order replaces its predecessor, further improving the international environment, safeguarding lasting peace in the world, and gradually establishing a fair and reasonable new international political order is a major unshirkable responsibility of all countries, large countries in particular.

In terms of the world in which we live, it is by no means tranquil. The Arab-Israeli conflict has not yet been resolved; the Gulf crisis, which is increasingly intensifying as it continues, is affecting the world situation as a whole; Eastern Europe, which has undergone drastic changes, is facing economic difficulties and social upheavals; in the Soviet Union, political, economic, and

ethnic crises—which are intermingled—are growing; conflicts of interest among developed countries are increasing in number; developing countries are facing unprecedentedly grave economic difficulties; the gap between North and South is widening continuously and the contradictions between them are intensifying; and things such as practicing power politics and interfering in other countries' internal affairs have continued to emerge. All these phenomena show that putting an end to the old international order, promoting economic and political stability in the world, and establishing a new international order have become important topics in current international relations.

In the present transition period of a new world pattern replacing the old one, great changes have taken place in the various international forces and state-to-state relations, which have undergone new divisions and reorganizations. Many countries are working out and readjusting their own policies and strategies, and are carrying out reform in a wide range of endeavors so as to enhance their own comprehensive national strengths and their influence on other countries. They are working hard so that the international situation may develop in their favor and a new international order, commensurate with their interests and in which they can occupy a favorable strategic position, may be established.

The development and change in the situation has prompted more and more people to begin to talk about the establishment of a new international order. What will the new international order actually look like? Quite a few politicians and political commentators have put forward their propositions and views on the issue. Some people argue that since the Soviet Union has declined and lost its position as a world superpower, the "only superpower," namely, the United States, should hold sway in the world; others stand for the establishment of "a world order of three poles" of the United States, Europe, and Japan or "a world pattern of three sides" of the United States, Germany, and Japan; and still others hanker after a joint administration of world affairs by the "club of wealthy countries," which comprises seven Western countries.

In the final analysis, these views and propositions are still following the rut of the old international order in which the world's destiny was dominated by a small number of large nations. Actually, the old order is followed in the name of a new order. Past international politics were, in fact, the power politics of great nations, hegemonism, and bloc politics, which had nothing in common with the new international order people are expecting. The development of postwar international relations shows that the practices of the strong bullying the weak, of the rich trampling the poor, of engaging in aggression and expansion, and of lording it over others all are unworkable. They can give rise only to conflicts and divisions and can bring about disasters in the world.

What merits attention is that some people in the West are preaching with all their might about the elimination

of socialism and communism from the world and the establishment of a new international order in which the whole world is unified under capitalism. After drastic changes took place in Eastern Europe, they thought that such a "new order" was becoming a reality. History has proved that in the past, socialism could not be eaten up by armed intervention and similarly, in the days to come, subverting other nations' regimes using such means as "peaceful evolution" and changing their social systems in an attempt to eliminate socialism from the world will be a pipe dream. This way of doing things deviates from the norms of international law and seriously jeopardizes world peace and development.

The true new international political order must be an order in which the five principles of peaceful coexistence are taken as the foundation; power politics and all acts of hegemonism are opposed; all nations—great or small, strong or weak, rich or poor—are treated as equals; and the affairs of a country should be administered by that country, while world affairs should be managed by all countries through consultations. Only when the five principles of peaceful coexistence are strictly followed can world peace and development be promoted and a new international order conducive to mankind's progress be established. China maintains that in accordance with the five principles of peaceful coexistence and in light of the realities of the international situation, the future and new international political order must embrace the following main contents: Every country has the right to choose its own political, economic, and social systems in light of its national conditions; various countries in the world, large ones in particular, should strictly observe the principle of not interfering in the internal affairs of other nations; all countries should respect one another, seek common ground while reserving differences, live in harmony, treat one another as equals, and cooperate with one another on the basis of mutual benefit; disputes between different states should be settled reasonably by peaceful means rather than by resorting to force or the threat of force; and all nations—great or small, strong or weak—have the right to participate in managing world affairs through consultations.

A new international political order based on the five principles of peaceful coexistence corresponds to the fundamental interests of the world's people and conforms to the historical trend of the times. Only such a new order can safeguard world peace and stability. It is self-evident that establishing a new and fair international order is by no means an easy task. It requires long-term and unremitting efforts. All countries in the world, Third World countries in particular, should strengthen solidarity and fight for it in unison. Establishing a new international order involves a wide range of areas, but the key issue is to oppose hegemonism and power politics of all descriptions. In the present-day world, relations between the United States and the Soviet Union have eased and military confrontation has weakened, thus making it impossible for a new world war to break out. Nevertheless, world hegemonism, as well as

regional hegemonism, are still around and the pursuit of world power politics is intensifying. Thus it can be said that the process of establishing a new international order is a process of arduous struggle against hegemonism and power politics.

Putting an end to the old, unreasonable international order and establishing a new, fair one accords with people's will and the general trend of events. A new order is bound to replace the old one, no matter how tortuous and arduous the road to the new order may be.

### **Asian Development Bank Approves Grant for PRC**

*OW2401112991 Beijing XINHUA in English  
1104 GMT 24 Jan 91*

[Text] Manila, January 24 (XINHUA)—The Asian Development Bank (ADB) has approved a technical assistance grant of 600,000 U.S. dollars to China for environmental impact assessment training, the Manila-based bank announced here today.

The objective of the grant is to assist the Chinese Government in improving its overall capability to implement the environmental impact assessment program to ensure that the results are effective and meaningful, the ADB said.

To carry out the technical assistance, the ADB will engage the services of an international firm in accordance with the ADB's standards.

### **Official Addresses UN Confidence-Building Forum**

*OW2501132991 Beijing XINHUA in English  
1303 GMT 25 Jan 91*

[Text] Kathmandu, January 25 (XINHUA)—China attaches great importance to maintaining and promoting peace, security and development of the Asia-Pacific region, a Chinese Foreign Ministry official attending a regional meeting on confidence-building measures in the Asia-Pacific region here has said.

The meeting is under the auspices of the United Nations Department of Disarmament.

Qin Huasun, a director of the Chinese Ministry of Foreign Affairs, said at the meeting that "the more urgent tasks facing the Asian-Pacific region today are: For one thing, the solution of hot-spot issues and bilateral disputes, for another, the strengthening of economic cooperation."

He said countries concerned should first strengthen their dialogues and consultations, and take practical measures to enhance trust, reduce tension, put an end to conflicts and strengthen security.

"On this basis," he believed, "they can gradually establish and develop regional security mechanisms, first in small areas, and then, gradually and as circumstances so required, extend them to larger regions."

Realistic and practicable confidence-building measures cover military and non-military ones, which are mutually complementary, he said.

Solutions to issues in Asia and the Pacific can only be found in the light of the specific situation and characteristics of the region. Experience gained in Europe can hardly apply to other regions where situation and conditions differ, he said.

Meanwhile, he pointed out that "the United States and the Soviet Union still maintain huge offensive armed forces in the Asia-Pacific region, including the army, the air force and blue-water fleets, posing a grave threat to other countries and exerting a negative influence on the political and security situation in this region."

In discussing the security of Asia and the Pacific, he stressed, this cannot but be taken as a priority issue.

He put forward seven non-military and six military suggestions, including the five principles for peaceful co-existence and prevention of nuclear weapons proliferation.

### **World Bank Suspends Talks on Soviet Aid**

*OW2501052991 Beijing XINHUA in English  
0458 GMT 24 Jan 91*

[Text] Washington, January 24 (XINHUA)—The World Bank has suspended all discussions with the Soviet Union about technical assistance and the consideration of the Soviet membership in the bank.

President of the bank Barber Conables said Wednesday the action was taken because of the latest developments in the Soviet Baltic republics.

He said the bank has canceled a top-level "President's Council" meeting that was scheduled to discuss details of the bank's plan to offer technical aid to the Soviet economy.

He said the Soviet membership in the World Bank is no longer under consideration, and would "take a long time" to negotiate in any case.

The bank's action was the latest in a series of steps by Western governments and multinational institutions to drive home displeasure with the developments in Baltic republics.

The European Parliament on Tuesday voted to block 1 billion dollars in food aid, approved only a month ago as a goodwill gesture by heads of government.

A meeting of the G-7 finance ministers in New York last week agreed to put the whole question of aid to the Soviet Union "on hold."

The meeting, originally scheduled to endorse and arrange for further examination of U.S. President George Bush's proposal late last year for a special "associate" status for the Soviet Union in the World Bank and International

Monetary Fund, unanimously agreed to wait out developments in the Soviet Union.

While the U.S. Administration said it is considering measures to respond to the situation, both chambers of the Congress have passed nonbinding bills calling for sanctions against the Soviet Union.

U.S. Secretary of State James Baker said Tuesday that despite progress in the U.S.-Soviet relationship over the past two years, the "events of the last 10 days could have the effect of putting that progress in jeopardy."

The administration also said that the planned U.S.-Soviet summit is "up in the air."

Soviet new Foreign Minister Aleksandr Bessmertnykh will come to Washington Saturday to meet Bush and Baker to discuss the relations between the two countries, the summit in particular.

### United States & Canada

#### Congress Pressures Bush for Sanctions on USSR

OW2501110891 Beijing XINHUA in English  
0236 GMT 25 Jan 91

[Text] Washington, January 24 (XINHUA)—The U.S. Congress is putting heavy pressure on President George Bush to consider imposing economic sanctions and cancelling U.S.-Soviet summit in protest against the Soviet Union's actions in the Baltic republics.

The Senate, following the House, passed a resolution today calling on Bush to review all economic benefits provided by the U.S. Government to the Soviet Union.

Meanwhile, House Republican leader Robert Michel today urged Bush not to go to Moscow for the February summit.

The congressional pressures increased as U.S. officials said Soviet new Foreign Minister Aleksandr Bessmertnykh is coming to Washington on Saturday to meet with Bush and Secretary of State James Baker.

Rep. Michel, emerging from a Republican leadership meeting with Bush, said "there was at one point some advice that the President give consideration to not going to the summit."

But Michel said Bush told the leaders that "we are involved in a very delicate relationship here" and "he's got to look at it in the bigger picture. So he's got to try and balance that."

However, Bush told the leaders the resolutions from the Congress were very helpful.

Bush had "made it clear he has really, really told (Soviet President Mikhail) Gorbachev in no uncertain terms" of his displeasure about the Soviet actions in the Baltic republics.

The Senate resolution, approved this afternoon with a vote of 99 to 0, set some specific steps it wanted Bush to take, including reviewing all economic benefits provided by the United States to the Soviet Union.

The resolution called on Bush to report to the Congress "on whether those benefits should be suspended in light of Soviet actions" in the Baltic republics.

In addition, the resolution urged Bush to immediately suspend all technical exchanges with the Soviet Union and consider withdrawing U.S. support for Soviet membership in the International Monetary Fund, the World Bank and the GATT.

The resolution also urged Bush to deny most-favored-nation trade treatment to the Soviet Union until it stops its actions in the Baltic republics, and to "explore means of increasing direct diplomatic ties" with those republics.

Earlier, the House voted unanimously to condemn the Soviet Union for its actions in the Baltic republics and to ask Bush to consider economic sanctions if it continues.

### Soviet Union

#### Li Peng, Gorbachev Reportedly Work To End War

OW2501142091 Tokyo KYODO in English 1403 GMT  
25 Jan 91

[Text] Beijing, Jan. 25 KYODO—Soviet President Mikhail Gorbachev and Chinese Premier Li Peng have been working together to find ways to peacefully settle the Persian Gulf war as soon as possible, Soviet Ambassador to Beijing Nikolay Solovyev said Friday.

In an interview with KYODO NEWS SERVICE, Solovyev said Gorbachev sent messages to Li on January 17 and 19, calling for the premier to keep close contact and to join hands to settle the Gulf crisis peacefully. But the president did not refer to any concrete plans, the ambassador said.

Solovyev, the Soviet ambassador to Japan until September last year, also said Li agreed with Gorbachev's request in a reply message he sent on January 19.

During the two-hour interview, Solovyev said Moscow and Beijing have agreed that Chinese Communist Party General Secretary Jiang Zemin will visit the Soviet Union this summer.

The foreign ministers of the two nations agreed on Jiang's trip during a meeting at Urumqi in late November, and China officially confirmed the trip in December, Solovyev said.

Jiang's visit would be the first official visit to the Soviet Union by a top Chinese party leader since Mao Zedong's visit in 1957.

Jiang's trip is return call for the visit to China Gorbachev made in a May 1989, which signaled an end to more than 30 years of division between the two communist giants.

### **PRC Negotiating Purchase of Soviet Fighters**

*OW2501114091 Tokyo KYODO in English 1113 GMT 25 Jan 91*

[Text] Beijing, Jan. 25 KYODO—Soviet Ambassador to China Nikolay Solovyev said Friday that China is negotiating with the Soviet Union to purchase Soviet SU-27 fighter planes.

In an interview with KYODO News Service, the Soviet ambassador said China wants to buy a small number of what he described as "defensive" warplanes, the latest model in Soviet arsenal.

Solovyev said it appears that China is more interested in gaining high technology than in deploying the fighters for combat.

Most Chinese air force fighters are outdated, remodeled Soviet war planes introduced in the 1950s.

China tried to introduce western technology, but military exchanges with Western countries have been suspended since Beijing's military crackdown on pro-democracy demonstrators in June 1989.

The Chinese Government has invited Soviet Defense Minister Dmitriy Yazov and Soviet Chief of Staff Gen. Mikhail Moiseyev to visit China, Solovyev said.

As for negotiations on determining the common border between China and the Soviet Union, Solovyev said more than 80 percent of the 7,000-kilometer common border has been fixed and only three locations have yet to be demarcated.

He also said two rounds of talks have been held on arms reduction along the common border and that he is optimistic about the progress of the talks.

### **USSR Oblast Delegation Visits Heilongjiang**

*SK2501120491 Harbin HEILONGJIANG RIBAO in Chinese 2 Dec 90 p 1*

[By reporter Tang Tianzhu (2799 1131 5511): "Provincial Vice Governor Du Xianzhong Meets Novosibirsk Delegation"]

[Text] Du Xianzhong, provincial vice governor, met a delegation from the Soviet Executive Committee of the Novosibirsk Oblast of the Soviet Union led by (Kasulev), vice chairman of the oblast Soviet Executive Committee, at the Huayuancun Guesthouse on the evening of 1 December.

Du Xianzhong said: The trade between Heilongjiang and Novosibirsk started rather late, but has progressed fairly rapidly. In a period of over two years, more than 30 units

found trade counterparts and their business volume reached 100 million Swiss francs.

(Kasulev) said: We are very interested in the economic and trade cooperation between the province and the oblast. During this visit, we plan to hold discussions with your province on scientific and technological cooperation, contracts for construction projects, and cultural and sports exchanges. We hope that our cooperation will develop even more.

Wang Yaochen, director of the provincial foreign affairs office, was present at the meeting.

The Soviet guests have come at the invitation of the provincial government. They arrived in Harbin on 1 December.

### **Northeast Asia**

#### **Japan To Send Military Planes for Gulf Refugees**

*OW2401184191 Beijing XINHUA in English 1752 GMT 24 Jan 91*

[Text] Tokyo, January 24 (XINHUA)—Japanese Prime Minister Toshiki Kaifu said today at a press conference that Japan plans to send military planes to the Gulf region to help evacuate refugees fleeing the ongoing Gulf war.

Kaifu made the decision after a series of meetings with his security council and senior officials of the ruling Liberal Democratic Party (LDP).

Kaifu also announced the offering of an additional 9 billion U.S. dollars in fresh funds to the U.S.-led multinational forces fighting against Iraq.

He stressed that international stability and Japan's own existence could be threatened if the world does not stop military strongmen from taking over weaker countries.

Kaifu told the security council session earlier in the day that the government's decision to send SDF [Self-Defense Forces) transport planes was made purely for nonmilitary purposes to achieve humanitarian aims.

Analysts noted that the sending of military aircraft overseas will be Japan's first since the end of World War II. The nation's postwar constitution prohibits the use of force to resolve international disputes.

Meanwhile, Iraqi Ambassador in Tokyo Rashid al-Rifai, following the announcement of Japan's decision, warned at a press conference that the SDF military planes would be subject to attack if they are dispatched on relief missions.

**Japan's Kaifu Urges Support for Gulf Aid Plan**

*OW2501115891 Beijing XINHUA in English  
1136 GMT 25 Jan 91*

[Text] Tokyo, January 25 (XINHUA)—Japanese Prime Minister Toshiki Kaifu here today called for public support for the government plan to contribute additional 9 billion dollars to the U.S.-led multinational forces in the Gulf war.

The government plan, unveiled on Thursday, has aroused strong opposition from various walks of life in the country.

In a major policy speech before the Diet (parliament), Kaifu also called on voters to support another government decision to send Japanese military transport planes to evacuate refugees in the Gulf region.

"If we don't make the effort on our own, if we neglect our responsibility, then we will start walking on a road of international isolation," Kaifu said.

"We must by all means avoid this path ..." he said, urging the Japanese public to bear the burden.

Kaifu also pledged to offer as much assistance as possible to restore peace in the Middle East within the framework of Japan's war-renouncing national constitution.

On developments in Asia, Kaifu called for a resolution to the conflict in Cambodia and reduced tensions on the divided Korean peninsula.

He also touched on Japan's relations with the Soviet Union and the United States, expressing expectations to the visits by Soviet President Mikhail Gorbachev and U.S. President George Bush to Japan.

**PRC Criticizes Japanese Decision on SDF Planes**

*OW2401143691 Tokyo KYODO in English 1414 GMT  
24 Jan 91*

[Text] Beijing, Jan. 24 KYODO—China on Thursday criticized Japan's decision to dispatch Self-Defense Force [SDF] aircraft to help evacuate refugees fleeing the Persian Gulf war, saying its opposition to the overseas dispatch of Japanese military forces has not changed.

China has asked Japan to be prudent, a Chinese Foreign Ministry official said. This was China's first formal comment on the Japanese plan to revise a government ordinance so the SDF can send C-130 transport planes to the Middle East to rescue refugees.

Last November, China and other Asian countries expressed concern about a government bill that would have allowed the overseas dispatch of noncombatant SDF members to assist in U.N. peacekeeping activities. The bill was scrapped in the face of heated opposition from minority parties and the public.

Meanwhile, China's Foreign Ministry officials said China and the Soviet Union have been keeping in touch

since the outbreak of the Gulf war, and are making efforts to bring about a peaceful solution.

The officials did not elaborate on these efforts.

**Article Examines Japanese Policy in Mideast**

*OW2501081891 Beijing XINHUA in English  
0748 GMT 25 Jan 91*

[“PEOPLE'S DAILY Article on Japan's Mid-East Policy”—XINHUA headline]

[Text] Beijing, Janaury 25 (XINHUA)—Today's PEO-  
PLE'S DAILY carried a signed article on disputes in  
Japan over its Middle East policy.

The article, written by Zhang Guochen, said that after the Gulf war broke out, Japan's "Middle East contribu-tion policy" has once again become a popular topic for debate among Japanese politicians. At the January 18 cabinet meeting, convened one week earlier than originally scheduled, political parties had sharp arguments concerning two major policies Japan may follow in the Gulf war—one of giving more money to the U.S.-led multinational forces, and the other of sending transport planes from the Self-Defense Force to the Gulf.

On the issue of further donations, politicians wondered once war erupted if it was constitutional to give money to the multinational force and if money was provided, how much would be proper and where would it come from.

Japan provided the multinational forces with 2 billion U.S. dollars last year. Now, after the outbreak of war in the Gulf, the United States has called for the Japanese to make additional financial contributions.

During talks with his Japanese counterpart Ryutaro Hashimoto on January 20, U.S. treasury minister Nicholas F. Brady urged Japan to make more financial contributions to the Gulf war which "match Japan's national power."

The Japanese treasurer privately told the United States that Japan was willing to add another 5 billion dollars to the contributions its made already, but the Americans rejected the offer because it considered the amount too small.

A U.S. congressman argued that the small amount the Japanese Government was prepared to contribute to pay for the Gulf war was an illustration of Japan's less than wholehearted cooperation with the multinational forces.

The congressman (whose name was not given) cited the example of a private Japanese firm, National Electric Corporation, which could afford the 5.5 billion dollar price tag to purchase MCA, a giant American entertainment conglomerate.

Under pressure from the U.S., the Japanese Government announced on Thursday (after a series of consultations) to give an additional 9 billion dollars in financial support to the multinational forces.

But where the money will come from worries the Japanese people. JIJI (the Japanese Current Affairs News Agency) said that it seems "inevitable" to increase oil, corporate and tobacco taxes to raise the money. Since this will definitely make the burden on the Japanese people heavier, the proposal has drawn criticism from opposition parties, the consumers association and ordinary people even before it is submitted.

As for whether Japan's donation to the multinational forces violates the country's constitution, the Japanese Government contends that these forces are acting according to United Nations resolutions and therefore the Japanese donation is for the restoration of peace.

However, the opposition considers that any financial aid to the multinational forces aggravates the Gulf war and constitutes a violation of the Japanese Constitution. To prove they are right, Japanese jurists have also cited the following reasons:

- The multinational forces, after all, are not U.N. troops prescribed in the U.N. Charter;
- The U.N. Security Council resolutions, which permit "the use of all necessary means," do not specify that force must be employed;
- The Japanese donation does not go to the United Nations.

Ever since the outbreak of the Gulf crisis last August the United States has been calling for the Japanese to contribute money, materials and even personnel. The U.S. ambassador to Japan once said that what Japan is able to do in the Gulf is not just donating money.

Accordingly, Japanese Prime Minister Toshiki Kaifu proposed in the Diet on January 18 that transport planes of the Japanese Self-Defense Forces be sent to the Gulf to help evacuate refugees, to the fierce resistance of the opposition party.

With the situation in the Gulf further changed, some members of Japan's Liberal Democratic Party began advocating the reinterpretation of the Japanese Constitution, in what represents a new development in favor of sending troops abroad.

Moreover, for the first time in history a senior official of the Liberal Democratic Party described Article 9 of the Japanese Constitution, which stipulates the abandonment of war, as the "utopian unipolar pacifism." He even said that "Japan's Self-Defense Force cannot be left out in the new mechanisms created to contribute to world peace."

These statements and the government attempts to make use of the Gulf war to send troops overseas cannot but arouse vigilance among the public at home and abroad.

In his government program to be delivered to the Diet on January 25, Japanese Prime Minister Kaifu is going to formally propose "the policy of contributing to the Middle East." It is predictable that there will be heated debates that will put the policy to a severe test.

### 'Team Spirit' Exercise Numbers Reduced Again

*SK2501041491 Beijing International Service  
in Korean 1100 GMT 24 Jan 91*

[Text] According to a high-ranking South Korean official, South Korea and the United States will stage the Team Spirit-91 joint military exercise this year. According to him, this year's Team Spirit joint military exercise will be staged for three months from 24 January to the end of April, but its size will be reduced by 30 percent over that of last year. The United States will, in addition to the U.S. forces in South Korea, send military troops deployed on the U.S. mainland and Hawaii to South Korea to mobilize them for the exercise.

The United States and South Korea have staged the Team Spirit joint military exercise annually since 1976, and the number of military troops mobilized in the exercise reached as many as 250,000 at the highest level. The number of military troops mobilized in the Team Spirit exercise last year was reduced to 180,000 because the North side of Korea repeatedly opposed the exercise. Although the number of troops is reduced by 30 percent this year, still 130,000 troops will be mobilized in the exercise.

In the North-South premiers' talks last year, the North side of Korea repeatedly asked the South side to suspend the Team Spirit joint military exercise. The North side of Korea expressed several times through various channels that if the United States and South Korea stage such a military exercise this year again dark clouds will be hung over the upcoming fourth round of North-South premiers' talks.

### S. Korean President Discusses UN Membership

*OW2401161291 Beijing XINHUA in English  
1343 GMT 24 Jan 91*

[Text] Pyongyang, January 24 (XINHUA)—President No Tae-u said today South Korea will become a member of the United Nations by the end of this year, according to a Seoul radio broadcast.

No said this after hearing a briefing by Foreign Minister Yi Sang-ok on Seoul's diplomatic goals for this year.

No instructed the ministry to step up efforts to persuade the Democratic People's Republic of Korea (DPRK) to join the world body with South Korea. If such efforts fail to make progress, he said South Korea's separate U.N. membership would be inevitable.

South Korea has sought simultaneous U.N. membership with DPRK but the latter adamantly opposes the idea, contending that this would perpetuate the division of the peninsula.

Last year, DPRK proposed the two parts of Korea apply for joint U.N. membership and take turns sharing one revolving seat on a yearly basis. However, South Korea rejected it as "unworkable."

The Korean peninsula was divided in 1945 at the end of World War Two. The two sides fought a three-year war in the early 1950s and their border remains one of the most heavily fortified in the world.

### Southeast Asia & Pacific

#### Li Peng Meets Lao Parliamentary Delegation

OW2501112691 Beijing XINHUA in English  
1114 GMT 25 Jan 91

[Text] Beijing, January 25 (XINHUA)—Premier Li Peng met president of the Supreme People's Assembly of the Laos Nouhak Phoumsavan and his assembly delegation here this afternoon.

Recalling Li Peng's visit to the Laos last December, both sides confirmed that the visit was very successful and has greatly promoted the friendly relations between the two countries.

During the meeting, Li briefed Nouhak on the spirit of the Seventh Plenary Session of the 13th Central Committee of the Chinese Communist Party, while Nouhak briefed Li on the current domestic situation of the Laos.

Nouhak told Li that his visit to China has left on him a very deep impression of China's great achievements in its economic construction and great changes in the countryside, in particular.

Before Nouhak and his delegation arrived in Beijing yesterday, the guests had visited Yunnan and Guangdong Provinces.

#### People's Bank Official Visits New Zealand

OW2501042891 Beijing XINHUA in English  
0330 GMT 25 Jan 91

[Text] Wellington, January 25 (XINHUA)—New Zealand Deputy Prime Minister Don McKinnon has called for the strengthening of economic exchanges and cooperation between New Zealand and China at a meeting today.

In meeting Guo Zhenqian, visiting deputy governor of the People's Bank of China, and the bank's delegation led by Guo, McKinnon said New Zealand people are "fascinated" in China, they have been concerning about what are going on in China and for a long time they have wanted to know China better.

McKinnon is New Zealand's only deputy prime minister. He is concurrently minister of external relations and trade and minister of foreign affairs. He is the first senior official that has met a delegation from China since the new National Government was elected last October.

During the meeting, Guo Zhenqian briefed the deputy prime minister on China's economic situation, the reform of the economic structure, and the formulation of China's economic development plan for the coming five years.

Upon hearing that China registered an annual inflation rate of 2 percent last year while enjoying an industrial growth rate of 6 percent, the deputy prime minister said "very good."

Don Brash, governor of New Zealand's Reserve Bank (state bank), who was also present at the meeting, said New Zealand should learn from China's experience in which inflation is dropped while maintaining a comparatively high economic growth rate.

McKinnon was also interested in whether China would be more involved in the affairs of South Pacific island's and the operation of monetary institutions between those in Hong Kong and the mainland at present and after 1997 when Hong Kong returns to the embrace of China.

The delegation's visit is a reciprocal visit of Governor Brash's China tour last year.

During its stay in New Zealand, the delegation had talks with the Reserve Bank and Westpac Bank which have had normal exchanges and cooperation with the People's Bank of China and the Bank of China. The Reserve Bank had also trained some business people for China's central bank.

Exchange between monetary institutions of the two countries would help China learn what is useful at home, Guo said in an interview with XINHUA.

The delegation arrived in New Zealand Monday and is leaving for Australia today.

### Near East & South Asia

#### 'Feature' Studies Media Swarm in Amman

OW2501052591 Beijing XINHUA in English  
0415 GMT 25 Jan 91

[“Feature: Amman Flooded with Foreign Correspondents (by Tang Shizeng)”—XINHUA headline]

[Text] Amman, January 24 (XINHUA)—As the allied forces step up their air raids on Baghdad, correspondents from all over the world have swarmed to Amman, the capital city of this frontier country, to cover the war.

The Jordanian Information Ministry has set up a reception center at the Intercontinental Hotel to receive the

journalists. A foreign correspondent or photographer has only to fill in a form with essential details to receive a three-month visa at a desk there.

Although they have to register every day for news passes which are only valid for one day, any length of stay in Amman is a relief for those who have just come from Baghdad. And they are always treated with great admiration. A Japanese journalist who left Baghdad on January 16, the eve of the UN deadline, said he is regarded as a hero in Amman.

The U.S. Columbia Broadcasting System has rented half of the eighth floor in the main building of the hotel as its studio. Its gleeful staff members are seen running up and down the stairs with megaphones in hand.

Japan's KYODO NEWS AGENCY has rented a big apartment on the fifth floor. Its two reporters were detained for seven and a half hours by the Jordanian military for having walked along the beach of the Dead Sea on January 21. It turned out that no journalists are allowed to report about the Sea because it is of military importance.

I had a similar unpleasant experience when my camera was seized for taking photos of the refugees on their way to a refugee camp. When I got my camera back after a promise to destroy the film, I was told that "picture-taking is allowed only in the refugee camp."

Almost all foreign correspondents can play one or two gimmicks to make things easier for themselves, a reporting team of the Japanese NTV Television Station bought an Arabian scarf for every staff member to wear in the hope of giving a good impression to the Arabs. This has sometimes proved ineffective. NTV members were pushed back and forth in front of a mosque by a crowd of Arabians.

American photographer Steven B. Lehman, who was clever in his own way, pinned a badge of Canadian maple leaf and a button inscribed with "No Blood for Oil" on his chest when he made an anti-war speech at a refugee camp. He wanted to pass himself off as a Canadian.

In the hotel are 30 reporters from Taiwan. One from the Taiwanese "CHINA TIMES" became the envy of all other reporters for having succeeded in getting a visa for Baghdad.

The Swedish TV team cameraman put on his chest and back two pieces of white cloth inscribed with "Swedish TV" and "Blood More Expensive than Oil."

A close circuit TV showing REUTERS news in brief attracted a herd of journalists with weary eyes.

Israeli TV programmes can also be watched at the hotel day and night. Veteran military reporters told others the different categories of the fighters on screen.

Some are preparing to leave for Israel. Some others are planning to go to Cyprus, where it is easier to get an Israeli visa. The chief of the KYODO team said he is going to Tel Aviv in a few days. His job at the Amman bureau will be left to a newcomer.

The rainy and cloudy weather has lasted three days, rendering chemical weapons useless and thus adding to the delight of the correspondents.

Some warned, however, that a west wind from the Mediterranean would move the stream of air over Israel into Jordanian skies.

Journalists from different countries are closely watching the changing weather in the Middle East.

### **Indian Foreign Minister Interviewed on SAARC**

*OW2501091891 Beijing XINHUA in English  
0849 GMT 25 Jan 91*

[“Indian Foreign Minister Again Calls for SAARC Economic Cooperation”—XINHUA headline]

[Text] New Delhi, January 25 (XINHUA)—Indian Foreign Minister V.C. Shukla again advocated for the South Asian Association for Regional Cooperation (SAARC) to step into areas of economic cooperation, which he said will be more beneficial to small countries than to his country.

He cited European Economic Community as an example of a regional economic grouping which benefits smaller countries more than larger countries from a common market.

Shukla's comments came in an exclusive interview with XINHUA here Thursday night when there was a fear among the small member countries of the SAARC that India will gain more, both politically and economically, from the regional economic cooperation it has been actively advocating.

SAARC groups Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka.

India offers to SAARC countries an enlarged market and consequent economies of scale, he said, adding that "based on these factors we (India) foresee joint production ventures with buy-back guarantees," the minister added.

He stressed that through the agency of SAARC, members can forge necessary political will, "not through imposition but through persuasion, to realize the common destiny which is potentially ours (SAARC members)".

He said that so far cooperation under the five-year-old SAARC has been confined to social, cultural, technical and scientific fields, thus helping the member countries better understand each other.

India thinks it is time to step into areas of economic cooperation in order to carry this momentum further, he added.

To be specific, economic cooperation within the region will help overcome the irrational tariff structures of the member countries and reduce freight costs within the region which are higher currently than those between the region and the outside ports.

Shukla held that such a cooperation will lead to significant economic development including generation of employment in the region.

Through the cooperation, SAARC members can also gain an advantage of the region's collective promotion or marketing of products by utilizing economies of scale.

In reply to a question, the minister said that the economic cooperation within SAARC members does not mean less effort to absorb investment or financial aid from outside the region.

SAARC does not preclude the continued efforts of individual countries to absorb investment from outside. But it provides a parallel route toward increasing individual and collective self-reliance which is dictated, among other things, by an increasing trend toward regional economic integration.

Talking about the political situation in Bangladesh, Shukla said the recent developments are essentially an internal matter of that country.

However, being a close neighbor which enjoys a shared history and culture with Bangladesh, "We have been following events there with deep interest."

"We are very happy to note that, with the successful culmination of the movement for the restoration of democracy, free and fair elections are due to take place in the near future".

He said that his government is looking forward to working closely with the democratically elected government in Bangladesh.

On relations with Pakistan, Shukla noted that some progress was made at the third round of foreign secretary level talks held in Islamabad last December, hoping that this process will be carried forward in the next round which is scheduled for the last week of February in Delhi.

It is India's endeavor to resolve all differences between the two countries through dialogue. New Delhi believes that the establishment of friendly relations between them will not only be of mutual benefit but also in the interest of peace and stability in the region.

### Discusses Upcoming PRC Visit

OW2501094191 Beijing XINHUA in English  
0922 GMT 25 Jan 91

[Text] New Delhi, January 25 (XINHUA)—India and China must not bypass opportunities for further improving their ties in the 1990's, Indian Foreign Minister V.C. Shukla emphasized.

Good relations between them have a significant and beneficial impact on peace and stability in Asia and the world, he added in an exclusive interview here Thursday night with XINHUA before his visit to China scheduled from February 1 to 6.

Shukla said that his government attaches "considerable importance" to this trip—the first official visit by an Indian foreign minister to China in 12 years.

He hoped his visit will provide even further momentum to the political level dialogue between the two largest Asian countries and help consolidate and intensify the bilateral cooperation in various fields.

He also hoped the proposed visit by Chinese Premier Li Peng to India to take place soon, citing his visit as an important milestone in bilateral relations.

Stressing that India has a sincere desire for improvement of relations with China, Shukla said that "our (India's) approach is forward-looking and we are of the view that neither side should dwell on the past."

Proposals for the improvement of bilateral relations receive India's constant and continuing attention, he added.

"The outlook for the relations in the 1990's is promising and both countries must not bypass the opportunities before them for further improvement of relations."

The bilateral relations have been developing satisfactorily over the last few years, he recalled, saying that efforts towards intensifying the goodwill and cooperation have marked their relationship in the recent past.

In particular, India would like to increase mutual understanding on the outstanding boundary question, to maintain peace and tranquillity on the border with China and to explore the possibilities of greater cooperation in fields like agriculture, education and training, peaceful uses of space, and also in people to people contacts.

The foreign minister said in reply to a question that in a period of fundamental changes in the world order, India and China, as the two largest developing countries, must feel concerned at the growing polarization between North and South, developed and developing countries as well as the danger of war in some areas.

"Countries like India and China must work together to ensure that problems like these are resolved in a manner that does not harm our interests and those of our people's," he said.

India's membership of the United Nations Security Council from January this year should provide the two countries with a very good opportunity to coordinate their positions on important regional and international issues of common concern, he added.

### Bangladesh Protests Iraqi Involvement in Attacks

*OW2401174091 Beijing XINHUA in English  
1502 GMT 24 Jan 91*

[Text] Dhaka, January 24 (XINHUA)—Bangladesh today protested to Iraq over the alleged involvement of the Iraqi Embassy in the attacks of various foreign missions here in the wake of the outbreak of the Gulf war, a Foreign Office spokesman was quoted as saying here.

He said the government also drew the attention of Iraq to the allegations that the Iraqi Embassy here was behind demonstrations and rallies to drum up support for the Iraqi cause in the Gulf conflict.

He said the Iraqi diplomat called to the Foreign Office denied the charges but admitted that the embassy distributed 1,000 photographs of Iraqi President Saddam Husayn to various groups here.

The spokesman said there were reports that Iraq was financing certain activities here in the aftermath of the Gulf war.

He said Bangladesh maintained good relations with all nations and it would be most unfortunate if any foreigner was harassed or any foreign mission attacked here with motivated purposes for events taking place somewhere else.

### Sub-Saharan Africa

#### Mauritanian Health Delegation Visits Harbin

*SK2501073091 Harbin HEILONGJIANG RIBAO  
in Chinese 1 Dec 90 p 1*

[By reporter Liu Rongsheng (0491 2837 0581); "Dai Moan Meets With Mauritanian Public Health Delegation"]

[Text] A five-member Mauritanian public health delegation led by Moine, minister of public health and social affairs, arrived in Harbin on 30 November for a visit. Provincial Vice Governor Dai Moan cordially met with the delegation at the Huayuancun Guesthouse on that evening.

Designated by the government and the Ministry of Public Health of our country, our province has undertaken the task of sending medical teams to Mauritania for as long as 22 years. So far, it has sent 26 medical care and epidemic prevention groups, totaling 483 persons. It also held two training sessions in 1986 and 1990 to train 20 middle-grade clinical personnel and public health personnel.

In his talk with the Mauritanian delegation, Dai Moan pointed out that strengthening medical cooperation is beneficial to both countries, and that the prospects for future cooperation are very broad. He hoped that the two countries would open up new fields in the training of medical personnel. Moine, leader of the delegation, expressed gratitude for the assistance and support of the Chinese medical groups, and praised the encouraging achievements in the medical cooperation of the two countries. He wished such friendship and cooperation continuous development.

Before the meeting, the delegation also held cordial talks with our province's medical personnel who had returned from Mauritania.

### West Europe

#### Li Peng Meets With French Businessman

*OW2401152991 Beijing XINHUA Domestic Service  
in Chinese 1039 GMT 24 Jan 91*

[By reporter Yang Zidi (2799 1311 6611) and correspondent Peng Bo (1756 3134)]

[Text] Beijing, 24 Jan (XINHUA)—Premier Li Peng met with George de Buffenvent, president of the French Sibi Badinoer Group, and his party at the Ziguangge Pavilion in Zhongnanhai yesterday. He told the French visitors: "China has decided tentatively to expand and build 14 petrochemical projects during the Eighth Five-Year Plan. These projects, to produce mainly ethylene, will have a total annual capacity of 2 million metric tons. We welcome entrepreneurs from various countries to take part in competitive bidding and carry out cooperation in various forms."

Briefing the visitors on China's national condition, Li Peng said: While drawing up the 10-year program and the Five-Year Plan, we have set economic growth at six percent, with the focus on agriculture, energy, transportation, communications, and raw and semi-finished material industries, including the steel and petrochemical industries. China already has built some foundations for its petrochemical industry producing mainly ethylene. The present capacity of 2 million metric tons of ethylene was developed mostly during the Seventh Five-Year Plan. There is great demand for petrochemical products in China, and their supply is still lagging far behind the needs of national economic development. In developing the petrochemical industry, we will first develop chemical fibers. Providing enough clothes for China's 1.1 billion population is a big problem, which cannot be solved by relying on cotton production alone. Therefore, we should develop chemical fibers as quickly possible. Second, we will develop plastics—including plastics for both everyday and agricultural uses and engineering plastics—as well as synthetic rubber, synthetic detergents, and various industrial chemicals. We also will provide raw materials for pesticides, refined industrial chemicals, and chemical fertilizers. Therefore,

during the Eighth Five-Year Plan, we have tentatively decided to build and expand 14 petrochemical projects producing mainly ethylene in order to increase the ethylene production capacity by approximately 2 million metric tons. These projects will be located in 11 provinces, municipalities, and autonomous regions, including Guangdong, Jilin, Tianjin, Beijing, Hebei, Henan, Zhejiang, and Xinjiang.

Li Peng stressed: Our basic principles for building these projects are as follows: First, we should rely on our existing old enterprises and carry our expansion projects. This will save us investment capital, shorten the time of completion of these projects, and put them into operation quickly. Second, these projects should be built near oilfields to take advantage of nearby petroleum resources, to reduce the need for transportation, or to make transportation as convenient as possible. Third, these petrochemical enterprises should integrate very well with downstream processing industries, because they can supply raw materials to those downstream which have production capacity and also guide their development. Some of these projects are fairly large, and some fairly small. It seems the small ones are not appropriate economically, but China's national conditions dictate that smaller enterprises also are necessary. Because these projects are expansion projects built by relying on old plants and because they can integrate with downstream processing industries, the benefits will be good. We welcome friends of the economic circles of various countries of the world, including firms and engineering companies capable of manufacturing ethylene, to cooperate with us in various forms, including by providing technology, equipment, seller's credit, or in the form of joint ventures. Li Peng said that further development of the petrochemical industry is an important measure of China for carrying out reform and opening to the outside world, developing the national economy, and raising the people's living standard.

Li Peng thanked friends from the economic and business circles of France for the many years of friendly cooperation with China in China's economic development. He said: Relations of cooperation between China and France always have been good. Even when Sino-French relations encountered difficulties in the past year and a half, cooperation between French enterprises and China was not suspended. Instead, it has expanded further. Recently, State Councillor Zou Jiahua made a successful visit to France. I believe that Sino-French economic and technological cooperation will expand further following China's economic development.

President George de Buffen thanked Premier Li Peng for the warm meeting and for his detailed briefing on China's petrochemical industry development plan during the Eighth Five-Year Plan period, and noted that the Sibi Badinoer Group will, as always, actively expand extensive cooperation with China.

Li Lanqing, vice minister of foreign economic relations and trade; He Chunlin, deputy secretary general of the

State Council; Sheng Huaren, president of the China National Petrochemical Corporation; and Claude Martin, French ambassador to China were present during the meeting.

#### **UK's Major Warns USSR Aid May Be Halted**

*OW2501005091 Beijing XINHUA in English  
2237 GMT 24 Jan 91*

[Text] London, January 24 (XINHUA)—British Prime Minister John Major warned today that Britain would suspend all assistance except food aid to the Soviet Union if the Soviet Army continues to depress independent activists in the Baltic republics.

Major told a group of Tory MPs that if the situation in Latvia and Lithuania does not improve, Britain "would probably suspend all other assistance except food aid."

Under the British insistence, the European Community decided on Tuesday to delay implementing a big technical assistance programme to the Soviet Union.

Major said he did not believe that Soviet President Mikhail Gorbachev had wanted to use force in the Baltic republics. He suggested the violence could be a phenomenon that Soviet President Mikhail Gorbachev had been under pressure from the Army or the KGB security service.

Major met Latvian Foreign Minister Janis Jurkans on Wednesday and promised British continued pressure on Moscow.

#### **Greek Foreign Minister's Mideast Trip Analyzed**

*OW2501111591 Beijing XINHUA in English  
0319 GMT 25 Jan 91*

[“News Analysis: Greek Foreign Minister’s Middle East Trip Highlights Regional Conflict (by Li Chengui)”—XINHUA headline]

[Text] Athens, January 25 (XINHUA)—Greek Foreign Minister Antonios Samaras left here Thursday afternoon on a surprise visit to Egypt, Syria, Iran and some other Arab countries. What is he up to in the war-ridden Middle East?

A government spokesman announced that Samaras's visit is meant "to acquaint himself with the progress of the Gulf war," "to consolidate Greece's traditional relationships with friendly Arab countries" and "to watch over the interests of Greece," but the local press held that Samaras wants to build a "united front" to contain Turkey.

The seventh day of the Gulf war saw Turkey providing the United States with another military base. Warnings of retaliatory attacks against Turkey have been issued by Iraq as American bombers are taking off from two Turkish military bases for combat missions in the hinterland of Iraq. The United States has, in turn, shipped

"Patriot" missiles into Turkey to forestall possible Iraqi retaliation. The North Atlantic Treaty Organization (NATO) has even declared that it would defend Turkey in the event of an Iraqi invasion.

The suddenly inflated status of Turkey has seized the Greek public, especially opposition parties, with grave concern. The Greek Government is blamed for "intending to send troops to fight for Turkey."

The Greek Government reacted by holding an emergency meeting on the matter Wednesday, which led to Samaras's visit.

Uppermost in the minds of the Greek people is the "postwar new order." They fear that Turkey might become a regional "superpower" after the war.

The Greek Government has therefore demanded that the United States ensure a military balance in the region, retain the 10:7 ratio in the U.S. military aid to Turkey and Greece, and also deploy "Patriot" missiles in Greece.

In the meantime, it has attempted to stop Turkey from making inroads into Iraq. On the eve of Samaras's visit, a government spokesman stressed that "Greece is opposed to any boundary changes in the post-war Middle East."

The current Middle East visit by the Greek foreign minister is apparently a move to "stop Turkish expansionism." Syria and Iran are presently the only possible rivals of Turkey and both of them are worried about Turkey's "expansionism." Egypt as a major Middle East country can also play its part in containing Turkey, observers here say. Samaras is expected to exchange

views with leaders of these three countries in the hope of reaching a consensus of views.

## East Europe

### Albania Approves Law on Strikes

OW2401025491 Beijing XINHUA in English  
0155 GMT 24 Jan 91

[Text] Tirana, January 23 (XINHUA)—The Albanian Presidium of the People's Assembly Tuesday approved a law on strikes, the first such law in the country.

The law stipulates that working people have the right to strike, but organizers must inform employers 15 days in advance of the time, place and estimated number of participants in a strike, and the reasons behind their demands.

Strikers can only demand improvement of work and life conditions, employment protection and wage hikes, it said, adding that people cannot stage strikes when natural disasters occur, on elections days and official festivals.

It also stipulates that strikes are banned in departments which may adversely affect the health and well-being of Albanian citizens, or may bring serious consequences in national defence and production.

Workers in the country have staged several walkouts in recent months, which has aggravated the economic situation and affected the social security in Albania. The Albanian Council of Ministers responded to their actions by writing the law on strikes and submitting it to the Presidium on January 17.

## Political & Social

### Wen Jiabao on Seventh Plenum Guidelines

OW2401212191 Beijing XINHUA Domestic Service  
in Chinese 0953 GMT 24 Jan 91

[By reporter Sun Benyao (1327 2609 1031)]

[Text] Beijing, 24 Jan (XINHUA)—Addressing a meeting held by the organs under the Central Committee today on the party's work, Wen Jiabao, alternate member of the Secretariat of the CPC Central Committee and secretary of the Work Committee for the organs under the Central Committee, pointed out: Studying and implementing the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee is the central task of the whole party. It is also the primary task and the theme of the work of the party committee of every organ under the Central Committee. It is necessary for the party committees of all organs to integrate the realities of their respective departments and units with the conscientious organization of cadres in order to study and implement the guidelines of the seventh plenary session of the CPC Central Committee. This will allow them to carry out the work by attentively focusing on the central task of the party, bringing the role of the party organizations and party members into full play, and having the party members and cadres concentrate their efforts on the great practices of achieving the second-step strategic objectives through the party's work as well as the mass work.

Wen Jiabao said: Conscientiously implementing the guidelines of the seventh plenary session of the CPC Central Committee in an all-around way will have a bearing on the stability, reform, and development in our country during the next 10 years; furthermore, it will effectively promote the work as a whole during this year. Doing a good job in carrying out economic work, strengthening party building, and maintaining social stability are the three tasks that will need our continual efforts in order to successfully tackle them this year. Successfully promoting economic development, particularly by invigorating the large and medium-sized enterprises, and maintaining the steady development of agriculture are the bases for safeguarding social stability and for doing a good job in carrying out various other tasks; they are also the key for seizing the right time to properly handle domestic issues. The party organizations of the organs under the Central Committee at all levels must give top priority to implementing the guidelines of the seventh plenary session of the CPC Central Committee; to strengthening party building and enhancing the fighting power of the party in real earnest; to vigorously carrying forward the fine traditions of the party and further improving the ideological style as well as work style; and to conscientiously organizing the vast numbers of cadres who are party members to systematically study in depth the basic theories of Marxism to enhance their

consciousness and resolution in carrying out the party's basic line and in endeavoring to raise the party's work to a new level.

Wen Jiabao stressed the need to seek unity of thinking among the cadres who are party members through the study of the guidelines of the seventh plenary session of the CPC Central Committee in a bid to build their confidence in the necessity and ability to achieve the strategic objectives of quadrupling output, reinforcing solidarity, arousing enthusiasm, and successfully carrying out the work.

Touching on the issue of strengthening party building among the organs, Wen Jiabao said: Doing a good job in further promoting the political and ideological building of the party and improving its organizations and work style in a bid to enhance the fighting power of the party in an all-around way is an important task facing the party organizations at all levels. It is especially important for the organs under the Central Committee to strengthen party building. How the organs under the Central Committee carry out their work has a direct bearing on the central authorities' scientific decisions on policies and their implementation of correct leadership as well as on the work of the whole party in all fields of endeavor. Our efforts to upgrade the level and quality of the work of the organs under the Central Committee is dependent to a considerably great extent upon the level and quality of the party's work done by the organs, and upon the role played by the party organizations at the grass-roots level and by party members. We must approach and improve the development of the party organizations at the grass-roots level from this previously mentioned high plane, and endeavor to enhance the political integrity and professional accomplishments of the party members in order to meet the requirements of new situations and new tasks.

He further pointed out: To build primary party branches well is an important matter in the building of party organizations in party and government offices. It is necessary to ensure regular party activities, strengthen the leading bodies of party branches, and enhance the combat effectiveness of party branches. Party committees at all levels should put the stress of this year's work on building primary party organizations, earnestly guide party branches to do serious and good day-to-day work, and turn party branches into politically strong and vigorous militant bastions. Primary party organizations should fully display their initiative and creativeness, pay attention to education and management of party members in accordance with the strict demands set for party members, and make all Communist Party members become qualified party members.

On how to make great efforts to improve work style, Wen Jiabao said: Why do we particularly call for making great efforts to improve the work style? First, since we have already set clear and definite general objectives, tasks, principles and policies, and arrangements have already been made for our work in all fields, the crucial matter

now is to carry them out. Second, because we are facing many conspicuous and complex problems in the course of our advance, it is necessary for us to use a great deal of our energies to conduct thorough, systematic, and comprehensive investigations, and then solve the problems one by one. Third, because the organs under the Central Committee perform various tasks for the party Central Committee, it is necessary for them to integrate central guidelines into their work, make specific work arrangements, provide specific guidance, and ensure the accomplishment of all the tasks of the party. For this reason, to guard against empty talk and do down-to-earth work is not only our working method, but also our general guiding principle.

He pointed out that in order to further improve ideological understanding and work style, it is necessary to pay attention to four aspects: 1) to persist in seeking truth from facts; 2) to form close ties with the masses; 3) to work in a down-to-earth way; and 4) to promote ethical integrity in party and government offices.

On paying more attention to study, Wen Jiabao said: The central organs should create a great interest in studying. The broad masses of the party members, particularly those holding leading posts, should study basic Marxist theories, learn modern scientific, technological, and management knowledge, and enhance their ability in leading the work of modernization and reform and opening to the outside world. He also emphasized the necessity of studying the party's basic line, and to improve the rules and regulations of study in order to ensure good study practices among the cadres of party and government offices.

In conclusion, Wen Jiabao emphasized the need to persist in "doing two things [developing socialist commodity economy and doing ideological and political work] simultaneously" and to strengthen the ideological and political work in party and government offices. He said: To strengthen the ideological and political work is an extremely important task for maintaining the political situation of stability and unity and for ensuring successful accomplishment of the party's tasks. The ideological and political work in party and government offices must be further strengthened, not weakened.

The party work meeting of the organs under the Central Committee was held in Beijing from 22 January to 24 January. The main items on its agenda were to sum up the 1990 work and arrange the 1991 work. Gu Yunfei, executive deputy secretary of the Work Committee for the Organs under the Central Committee, delivered a work report to the meeting. Wang Jingmao, deputy secretary of the Work Committee, made a report on discipline inspection work. Li Yan, deputy secretary of the Work Committee, presided over the meeting. Some 70 cadres attended the meeting. They included the party committee secretaries and full-time deputy secretaries and the discipline inspection committee secretaries of various organs under the Central Committee.

### 1990 Visits to Grass Roots by Leaders Recalled

HK2401122991 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 1, 7 Jan 91 pp 3-6

[Article by Zheng Zhi (6774 0037): "Notes on CPC Leaders Going Down to the Grass-Roots Level in 1990"]

[Text] A "resolution on strengthening the links between the party and the people" was adopted at the Sixth Plenary Session of the 13th CPC Central Committee on 12 March 1990. This was a major event of historical significance in the CPC's efforts toward self-building. It showed that once the third generation of the central leading group with Jiang Zemin as the core was established, it regarded the resumption and tightening of ties between the party and government with the people as an agenda of the highest importance. Looking back at the year that just ended, we will note that the activities of CPC leaders at the grass roots and among the people increased during 1990. They have set a good example for the entire party. At the start of 1990, CPC leaders including Jiang Zemin immediately went down into the grass roots to listen to the people's opinions and appeals. They left their footsteps all over the great country as they went down into the mines, visited mountain villages, toured the frontier regions, and landed on islands. **The "Yanan Spirit," the "Daqing Spirit," and the "Jiao Yulu Spirit" Lit the Flames of Idealism for Many People. Today, What Would Bring Together the Chinese Nation? The Answer Is....**

Heilongjiang in early spring was still enveloped in ice and snow. General Secretary Jiang Zemin braved the harsh winds to inspect the oilfields of Daqing. Jiang Zemin had been here in the early days following the discovery of the Daqing oilfields in the 1960's. Seeing the transformation of yesterday's vast wilderness into a booming oil town, he gave a smile of gratitude.

At 1000 on the morning of 25 February, Jiang Zemin descended from the train at Daqing station. Ignoring the need for a rest, he traveled more than 30 kilometers to visit the family of the "Ironman" Wang Jinxi. He spoke emotionally to Wang Jinxi's widow, Wang Lanying, and his children: "Comrade Wang Jinxi made a tremendous contribution to the development of China's petroleum industry. The people will never forget him."

While in Daqing, Jiang Zemin's party visited several hundred kilometers of oilfields, climbed onto well-drilling platforms, toured production workshops, and inspected living facilities. At the institute of research on design, he held a seminar with technicians who have made important contributions to the development of the oilfields. At the Qijia comprehensive oil mining team stationed at the border of the oilfield, he joined workers in lining up to buy their meals and ate his lunch with them. Jiang Zemin said: "This place is brimming with the spirit of Daqing which embodies the look of the Chinese working class. It is the patriotic spirit of seeking glory for the country and dignity for the nation. It is the pioneering spirit of self-reliance, independence, and

hard work. It is the spirit of seeking facts through emphasis on science and on the "three honests and four stricts." It is the spirit of sacrifice which takes the overall situation into consideration and shares the woes of the country.

He said: "Even as it creates material wealth, Daqing also produces invaluable spiritual wealth for our party, country, and working class. It was the spirit of Daqing which smashed the theory of China being an oil-poor country and enabled the development of a first-rate oilfield in times of economic hardships in the 1960's. During the 10 years of catastrophe, Daqing withstood the interference and sabotage of the 'Gang of Four' and raised the production of crude oil to 50 million tons. During the decade of reform and opening up, it achieved successive years of steady and high production, adhered consistently to socialist direction, to ideological and political work, and to the party's leadership over enterprises. We should value very much the spiritual wealth created by Daqing. Various difficulties will continue to arise in the process of realizing the four modernizations. With the high morale of a Daqing man, there is no need to fear difficulties. Instead, we should meet head on with the difficulties and ultimately overcome them."

Premier Li Peng who grew up on the waters of Yan River returned to this cradle of the revolution—Yanan—on 20 November. The first thing he did when he arrived in Yanan was to visit the Yanan revolutionary memorial hall.

Standing before the statues of the older generation of proletarian revolutionaries including Chairman Mao, Commander-in-Chief Zhu, Zhou Enlai, Liu Shaoqi, and Ren Bishi, Li Peng was silent for a while before he said emotionally: "I am a Yanan man!"

On the afternoon of the 21st, Li Peng came to Pu Village, 30 kilometers outside Liulin Town, to inquire into the production and living conditions of the people in the old revolutionary zone. He chatted intimately with the villagers inside the caves, atop of the earthen hearths, and along the small paths.

After learning that the basic question of food and heating for the 120,000 households and 580,000 people in Yanan area has been settled and that per capita production of grains in the entire area was 396 kilograms and per capital income of the villagers was 330 yuan, he was moved to say: "Compared to the situation here when I left 45 years ago, a great transformation has taken place in Yanan. The economy is booming, while the people's mental outlook has changed beyond recognition. Assistance to the poor has been shifted from relief-oriented to development-oriented. These historic changes showed that the people of Yanan have fostered the spirit of self-reliance and hard struggle and that there is great hope for Yanan."

On the morning of 26 August, Comrade Qiao Shi who had been on an inspection tour in Henan made a special trip to Langao to visit the tomb of Jiao Yulu. Speaking

before the tomb, Qiao Shi told everyone: "The building of socialism with Chinese characteristics would still need the promotion of the Jiao Yulu spirit."

Walking down the steps of the tomb, Qiao Shi met cordially with Jiao Yulu's widow Xu Junya and daughter Jiao Shouyun and inquired kindly about their work and living conditions. He said emotionally: "Comrade Jiao Yulu was a fine member of the Communist Party and an outstanding cadre of the party. His loyalty to the party's cause, close ties with the people, wholehearted service of the people, self-reliance, and hard struggle serves not only as a example for Langao and Henan but also for the cadres of the entire party." **Go Into the Grass Roots and Among the People, and Do Real Deeds for the People in Order To Continue the Party's Fine Tradition and Style.**

How to continue further with economic improvement and rectification and deepening of reforms, how to address the problems of sluggish sales in the market, drastic drops in the rate of industrial growth, and shortage of capital for enterprises—these were the topics which Premier Li Peng brought with him for discussion and study in his southern tour of Jiangsu.

In the well-lit conference room of the Wuxi microelectronic plant, Li Peng held a discussion with Wuxi radio manufacturing plant secretary Zhu Arong, Wuxi television manufacturing plant manager Li Haiqin and Wuxi microelectronic plant general manager Wang Hongjin on how to convert the problems into assets.

Li Peng raised three questions for everyone: "What are your estimates of the market for your products? How should the trilateral debts plaguing the enterprises be resolved? What is the greatest concern of the employees and workers?"

The plant managers and secretaries gave their answers to the premier's questions by citing the cases in each of their enterprises. The radio factory's deputy plant manager Yu Zhongliang maintained that the key to the easing of capital shortage in enterprises lies in "stimulating the market, not the capital," "capital is the form but market is the substance." He had hardly concluded his remarks when he received a complement from Li Peng: "Your conclusion is excellent."

After visiting state-run firms, Premier Li Peng also visited several town and village enterprises and held meetings with a number of their entrepreneurs. Posing a direct question, he asked: "The state has reduced the scope of capital construction and tightened the monetary policy. What are the effects on the development of your enterprises? Do you also agree with the view that problems could be turned into opportunities?"

The special wind blower factory managed to survive by exploring different options; it developed more than 20 different types of new products whose production could hardly keep up with demand. Some of its products have even entered the international market. The plant's manager Ye Bochang told Li Peng: "The more difficult the

market is, the more urgent is the need to renovate the products. Difficulties are indeed a disguised opportunity forcing enterprises to move up the ladder!"

It has always been a policy of the party and government to help backward minority nationality regions break away from poverty, develop their economies, and achieve common prosperity for all nationalities. It is also an issue of great concern for CPC leaders. In the past year, General Secretary Jiang Zemin made inspection tours to the four major nationalities autonomous regions of Tibet, Xinjiang, Inner Mongolia, and Guangxi. He repeatedly stressed that in the big family of our Chinese nation, it was particularly necessary to foster close unity, vigorous cooperation, mutual support, and joint development. This spirit should be forcefully promoted among the nationalities, regions, departments, within the military and localities so that the superiority of socialism will be given full play. As long as the people of all nationalities in the entire country are united under the leadership of the party, act in concert, and fight as one, our cause will stand aloft like the Tian Mountain and the Kunlun Mountains and be forever invincible.

In the world's rooftop of Tibet, the autonomous region's party committee secretary Hu Jintao gave a presentation, saying that some 73 percent of the counties in Tibet are still without electricity. Jiang Zemin's expression became grave upon hearing this. He said: "Tibet is a vast land with very dispersed population. It is necessary to vigorously and systematically develop a small hydroelectric capability of more than 2,000 watts in line with local conditions in order to meet the peasants' and the herdsmen's need for electricity such as for illumination." He instructed the responsible person from the State Planning Commission who was in his party to ensure the smooth progress of the pumping and hydroelectric station project in Lake Yangzhuoyong through the provision of capital and materials.

He also ordered the acceleration of the construction of power stations in the counties and of small hydroelectric stations in the farmlands and herdslands.

In the Baishe region of Guangxi, the minorities make up 87 percent of total population while mountainous regions comprise 90 percent of the land. Because of a poor economic base, major areas are isolated from the rest of the province and poverty is a predominant feature here. In the early morning of 21 November, Jiang Zemin came to the Zhuang minority-populated Longli Village situated in Nabo Town, Yongchang Village, Tianyang County. He entered a house made of cogongrass and tiles and fenced with a few sticks which hardly insulated the house from the wind. The house itself was very sparse and austere. A wooden trunk contained some wornout clothing, while the grain box was only half full....

Jiang Zemin was silent for a while. Seating himself on a stool, he asked the house owner Su Qiquan: "How do you manage during the winter?" "We lit a fire for heating." "How much land do you cultivate? Have you

enough food to eat?" Su Qiquan shook his head and said: "We plant two mu of sugarcane and two mu of corn. For a family of four, the food is enough for two or three months." Jiang Zemin was very downhearted after hearing this.

Li Shihua, party branch secretary of Yongchang Village, reported that the per capita grain production of the village last year was 115 kilograms, while per capita income was 209 yuan. Some 70 percent of the farming households still have not overcome shortage of food and heating.

Jiang Zemin said with great agitation: "I have been to many provinces and seeing how difficult your lives are here today, I am very sad. The central government should extend assistance and support as much as possible. We should settle the question of food and heating through development-oriented assistance and production. Even though this great mountainous region suffers from lack of water and from poor natural conditions, it is not entirely hopeless."

Inside this little Zhuang-minority hut, the general secretary sat down with everyone to discuss the great plan of developing the mountainous region and of creating wealth. Jiang Zemin said: "The people of the old revolutionary zone boast of a glorious revolutionary tradition and a high degree of political consciousness. Even though we still face many difficulties, the existing conditions are much better than those in the early days of the revolutionary bases. We should foster the revolutionary tradition. As long as we leaders at all levels remain firm and forceful, act in concert, unify our thinking, and work together to explore ways and means, we will be able to change the outlook here."

In midsummer, Comrade Song Ping came to the Qilu area to conduct an investigation into the development of marine resources.

Dayudao Village is the biggest fishing village in Rongcheng City. The entire village has a fishing fleet made up of 14 big ships with more than 185 horsepower. It cultivates more than 3,000 mu of kelp and scallops. In addition, it has constructed a foreign trade refrigeration plant with a 1,000 ton capacity, and a fishing powder factory with reprocessing capability of 2,000 tons. Its total income from the fishery industry in 1989 amounted to 97 million yuan, more than 20 times higher than that of 1978.

Song Ping spoke highly of their integrated development of cultivation, fishing and reprocessing. He said: "Once marine cultivation is well undertaken, income from 1 mu of sea surface is equivalent to that from 10 mu of wheatfarm. The rate of efficiency is very impressive. Hence, it is necessary to exert more efforts. The fishing industry should develop in depth and width. It is necessary to carry out research into cultivation and reprocessing techniques so that reprocessing may be applied to all kinds of marine products and eventually enable us to enter the international market."

Serious investigation and intensive exploration has enabled Song Ping to acquire a more lucid view of the advantages and problems in Shandong Province's development of marine resources. At the end of his inspection tour, he told provincial party committee Secretary Jiang Chunyun: "Shandong must put marine development in an important position and undertake serious study. Even as it continues to stress farm production, it should also devote attention to the development of marine resources and organize its forces in order to step up research into marine science. With its wealth of manpower, a definite foundation in industry, plus its achievements in science and technology, Shandong faces a great future in the full exploitation of marine resources, of further activities in cultivation, fishing, and reprocessing of marine products as well as the development of marine resources."

**Deep Concern for the People's Well-Being and Willingness To Become a Public Servant of the People Will Enable One To Stand Tall Like the Antai and Be Forever Unconquerable.**

On the morning of 19 January, Jiang Zemin put on a safety helmet, blue miner's overalls, white scarf, and knee-high rainboots and entered the workplace of the Tatong coal mines. Seeing the general secretary covered with black soot and perspiring profusely, the miners laughed: "Hey, he looks just like one of us!"

Gazing at the simple but honest faces before him, Jiang Zemin said emotionally: "Our comrades work in the mines for long hours and hardly see the sun, yet you bring warmth and light to millions of people. On behalf of the party Central Committee and the State Council, I thank you for your industrious labor and for your great contribution to the country!"

The noise coming from a drilling machine attracted Jiang Zemin's attention. He stood by the machine and watched it extract coal in a continuous operation. He then took the hands of the machine operator and said: "Young man, let us take a picture together, okay?" The miners posed around him while photographers took pictures to record this moment for eternity.

In late January of 1990, Comrade Qiao Shi came on a work inspection tour of Guangdong. The subject of his tour was: How are the living conditions of the people in impoverished mountainous areas of a rapidly growing Guangdong?

In the remote villages of counties and cities like Conghua and Fogang, he met with grass-roots cadres and visited the homes of peasants to find out about their production and living conditions. Qiao Shi also braved the rains to visit Shuinan Village of Taiping Town, Conghua County. The village was notorious for its drought and shortage of arable land. With the support of concerned departments, this village was able to plant trees on 11,000 mu of barren lands on 350 mountains and hills in a period of 3 years. It also cultivated more than 300 orchards, planting

60,000 fruit-bearing trees like lychees, bananas, and mandarins. It has begun to change the backwardness of the village.

Treading through muddy paths, Qiao Shi enthusiastically climbed the mountains to look at the afforestation efforts of Shuinan Village. He said: "Planting trees on the mountains not only forms part of the afforestation effort, but more importantly, it is an important means for peasants to get rich and emerge out of poverty."

Autumn in Jingang was a picture of lush green mountains and golden yellow fields. On the morning of 13 October, a man clad in olive green jacket walked into the field and began cutting rice stalks alongside the peasants.

Not long after, a crowd gathered along the road and on the ridges. Finally, an old man summoned his courage to ask this smiling man: "You are the premier!"

This middle-aged man smiled. A local cadre addressed the crowd: "Premier Li Peng has come to visit us in the old revolutionary area!"

The elated peasants ran off to inform the others. Putting down his sickle, Li Peng cleaned up the rice husks he had harvested and waved to the peasants who had assembled nearby.

After visiting some peasant households which had prospered, he asked specifically to see the poor households in the farming area. He walked into the house of peasant Xie Jianxiu of Nankeng Village and sat on a stool to chat with her. "How many people are there in your family?" "Four. Aside from me, there are three children." "And your husband?" "He passed away 4 years ago."

Seeing Xie Jianxiu's haggard-looking face caused by heavy burdens in life, Li Peng said with concern: "It is tough for you to be supporting the family on your own! How much is your income per year?"

"Subtracting food expenses, 100 yuan per person?" "That is not enough. What do you do then?" "I rely on assistance from the village and relief from the state."

Li Peng then hailed her three children to sit by him. When he learned that her 18-year-old eldest daughter had never been to school, that the 15-year-old son had to quit the fifth grade in order to help out, and that there was no money for medication when the 10-year-old boy got sick, Li Peng became downhearted. He instructed the county leaders to help the Xie family deal with the question of medical attention and of their hardships.

Looking around the house, Xie Jianxiu's family practically owned nothing. There were two old and run-down wooden beds covered with haystalks and a tattered blanket. Li Peng asked the village's party branch secretary Li Jiajin: "Are there many families like hers in the village?"

Li Jiajin said: "We have a total of 423 households, with per capita income of more than 300 yuan. There are 50 households with income less than 200 yuan. Her family is the poorest here."

"Per capita income of 300 yuan is not high at all!" Addressing the provincial, locality, county, and village cadres who were present, Li Peng said: "Come, let us discuss ways and means to help the people here get rich and shake off poverty."

Everyone took part in the discussion, from the premier to the village cadres. The topic concerned the basic necessities of the people and the ways for the old revolutionary areas to get rich.

Xie Jianxiu's eyes became moist as she looked at the premier who had travelled several hundred miles to inquire after her well-being in her own home.

On the eve of the Spring Festival, Comrade Li Ruihuan came to inspect work in Hebei. Given the new situations both at home and abroad, spending a happy Spring Festival took on an important meaning. It was also an extremely good opportunity to do a good job on the ideological work on the people, carry out building of spiritual civilization, transform the leadership style, and promote closer relations between cadres and the people.

Li Ruihuan said: "The old people used to say: The prosperity of the people is the key to stability and their happiness, the key to peace and calm. Cadres at all levels should go to the grass roots and among the people during the Spring Festival period. In particular, they should show concern to the people in dire financial needs and realistically help them solve some concrete problems so that the people can enjoy a joyous and happy festival."

Li Ruihuan came to an old revolutionary base area deep in the mountains of Taihang—Pingshang County's Xibaibo Village. Here he visited an old household. When he saw that peasant Yan Chaoyun's family had moved into a new house and that the pig intended for the Spring Festival feast had already been bought, he said happily: "Visiting the revolutionary area of Xibaibo and seeing the inscriptions by Chairman Mao and Premier Zhou on learning to work for the people have been a great education for me. The objective of all our work is to enable the people to live well. Seeing the people getting rich daily, we feel very fulfilled."

Breathing the same air and sharing the same fate as the people—this is the basic foundation of the Chinese Communists and the source of their strength and hope.

### **Qiao Shi Inspects Shandong Province 9-21 Jan**

*OW2101200291 Beijing XINHUA Domestic Service  
in Chinese 1101 GMT 21 Jan 91*

[By DAZONG RIBAO reporter Wang Xiuzi (3769 0208 3320) and XINHUA reporter Guo Xiusheng (6753 0208 3932)]

[Text] Jinan, 21 Jan (XINHUA)—During his recent inspection of Shandong, Qiao Shi, member of the Political Bureau of the CPC Central Committee, emphasized that we should further strengthen and improve the party leadership, protect the political situation of stability and unity as we do our eyes, and concentrate on economic construction.

In the winter, people across Shandong Province are busily engaged in building farmland and water conservation projects. Qiao Shi inspected Shandong's Jining, Zaozhuang, Lini, Weifang, Qingdao, Yantai, and Weihai Cities and Prefectures from 9 to 21 January. He was accompanied on the inspection tour by Jiang Chunyun, secretary of the Shandong provincial party committee; Zhang Quanqing, member of the Standing Committee and secretary of the Discipline Inspection Committee of the provincial party committee; and Gao Changli, member of the Standing Committee of the provincial party committee and vice governor of Shandong Province. He braved bitter cold to visit factories, coal mines, neighborhoods, fishing villages, police stations, peasant families, and construction sites on farmland and water conservation projects. There, he called on workers, peasants, fishermen, and policemen, had cordial conversations with them, and inquired after their production, work, and livelihood. At the Bayi Coal Mine of the Zaozhuang Mining Bureau, Qiao Shi showed great concern about coal miners' lives and inspected their mess halls, bathrooms, and cultural and recreational facilities. He called on some workers who had just ascended to the entrance of the pit and encouraged them to produce more coal and make greater achievements for the country in the new year. In a fishing village in the Jiaodong region, Qiao Shi was greatly pleased to see that with the development of fishery, fishermen's living standards have improved markedly.

During the inspection, Qiao Shi emphasized that we should seriously implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, foster lofty ideals, set high goals, and rely on all party members and people across the country to do down-to-earth hard work and concentrate their energies on economic construction. He said: Facts fully prove that the line, principles, and policies laid down since the Third Plenary Session of the 11th CPC Central Committee are correct. In the last decade or so, we have scored success in reform and opening to the outside world and in socialist construction, and our success has attracted worldwide attention. In the days to come, we must continue to adhere to the party's basic line of "one central task and two basic points," accelerate China's economic construction, and make our country prosperous and our people well-to-do as soon as possible.

During the inspection tour, Qiao Shi emphasized over and over: The 1990's are extremely important to our socialist economic construction. The whole party should firmly establish the notion of taking economic construction as our central task, fully arouse the people's enthusiasm, and take effective measures and work hard as one

to attain our second-step strategic objective before the end of the century. As long as we follow the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, we surely can attain our objectives.

At Ningjiagou Village in Shuilianyu Township of Feixian County in the Yimeng Mountain region, Qiao Shi learned that cadres and villagers there, after working hard for several years to transform mountains, tame rivers, and plant trees, have helped the mountain village shake off poverty. He said happily to Sun Shiyuan, secretary of the village party branch: You have done a good job and made great achievements. To undertake socialist construction indeed requires the spirit of self-reliance and hard work. Qiao Shi pointed out: We should be concerned about poor regions and think of a way to help them shake off poverty. Economically developed regions must help poor regions develop their economies and lay a good foundation for gradually effecting common prosperity in the future, provided that their assistance to others does not adversely affect their own economic development.

Qiao Shi said: In order to attain our second-step strategic objective in modernization, we must take further steps to strengthen and improve our party leadership. In particular, we must build all the party's primary organizations well and truly turn them into fighting bastions for leading the masses in developing the socialist economy, culture, education, and science and technology. We need to rely on primary organizations to implement the party's principles and policies. When primary organizations are built well, our work will have a backing and solid foundation and our economic construction will be able to proceed smoothly.

Qiao Shi pointed out: If we do not have a political situation of stability and unity and a stable social environment, we will be unable to succeed in economic construction. Our domestic situation is stable at present. We should protect the political situation of stability and unity, just as we protect our eyes. We should see that factors jeopardizing stability still exist today. New problems will also emerge with the development of economic work. Therefore, we should make great efforts to build the party well, form close ties between the party and the people, do good ideological and political work among the people, and make comprehensive efforts to improve public order. He affirmed the experience of Zaozhuang City where the leaders pay attention to public order and the masses participate in making comprehensive efforts to improve it. He pointed out: We will be able to ensure lasting law and order if we constantly strengthen the party's primary organizations, make comprehensive efforts to further improve public order, and keep improving the socialist democracy and legal system. As long as our domestic political situation and economic situation are stable, we will be able to concentrate our energies on economic construction.

On 19 January, Qiao Shi listened to work reports made by leading comrades of the Shandong Provincial CPC

Committee. Qiao Shi said that his overall impression of Shandong's work is good. He said that in last 10 years, party committees and governments at all levels in Shandong Province, working under the leadership of the party Central Committee and the State Council, have seriously implemented the party's line, principles, and policies; done effective work in party building, economic and cultural undertakings, and comprehensive improvement of public order in consideration of Shandong's reality; and made great progress in all undertakings. He believes that Shandong will achieve economic development even more quickly and that the province is full of promise, as long as it seriously implements the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee in the days to come.

#### **Li Tieying on Education Goals During 1990's**

*OW2401155391 Beijing XINHUA in English  
1435 GMT 24 Jan 91*

[Text] Beijing, January 24 (XINHUA)—A top Chinese education official said here today that the country's nine-year compulsory education law will become universal and that illiteracy in the under 45 age group will be wiped out by the end of this century.

State Councillor Li Tieying, who is also the minister in charge of the State Education Commission, said today at the annual national education conference held in Beijing that this was one of the four major education goals in China during the 1990s.

Li said that vocational education will be developed further during the next decade so that the 25 million new laborers who enter the work force each year will have the opportunity to receive necessary technical training before being employed.

Li stressed that the number of highly specialized personnel, those mainly trained in China's colleges and universities, will be sufficient to meet the needs of national economic and social development for the next ten years. By that time a number of disciplines will have achieved rating equal to international standards, the training of doctoral students will mainly take place in China, he added.

Moral and ideological education in the country's schools will be strengthened in the future, the state councillor noted.

Li appealed for support of educational reform in the country. "Thoughts on education, as well as the contents and methods in China are currently more or less alienated from reality, and this must be changed during the next ten years," he added.

Local governments at all levels should have more say in regional educational development and education in China should be guided by law during the 1990s.

Both, current rural and urban educational reform, which are now under consideration or in trial operation, should

be continued, Li said. College graduates should be more willing to work in grass roots institutions and enterprises, he stressed.

Regarding education in schools of higher learning, the state councillor said that fundamental theoretical education should be consolidated in the future, and more aspects of learning in regards to the application of science and technology should be offered.

Recent statistics reveal that a primary education is now a universal reality in 76 percent of China's counties, and that a junior middle school education level is the norm in most cities. The number vocational school students in relation to the number of senior middle school students now stands at 45.8 percent. Statistics show that over 74.8 million university students, 177,000 postgraduates, and 6,000 doctoral students, graduated during the 1980s.

Additional figures show that in the past ten years over 38.5 million adults have learned to read and write, and more than 200 million farmers have received different types of technical training.

### Premier Li Peng Chairs State Council Meeting

*OW2501090991 Beijing XINHUA in English  
0847 GMT 25 Jan 91*

[“State Council Discusses Regulations Concerning Water Control Projects”—XINHUA headline]

[Text] Beijing, January 25 (XINHUA)—The State Council, China's highest governing body, held its 77th executive meeting and discussed draft regulations concerning compensation to requisition of land and resettlement of people in building large and medium-sized water control projects.

Presided over by Premier Li Peng, the meeting approved the draft regulations in principle and decided that they be promulgated by the State Council after necessary revisions are made.

The draft regulations have been worked out in accordance with the country's laws on land administration and water resources.

Participants held that the draft regulations will facilitate land requisition and resettlement of people for the construction of water control projects.

### Communist Youth League Holds Enlarged Session

*OW2401141991 Beijing XINHUA Domestic Service  
in Chinese 0941 GMT 24 Jan 91*

[By RENMIN RIBAO reporter Yuan Jianda (5913 1696 6671) and XINHUA reporter Hu Xiaomeng (5170 2556 1125)]

[Text] Beijing, 24 Jan (XINHUA)—At an enlarged session of the Standing Committee of the Central Committee of the Communist Youth League [CYL], Song

Defu, first secretary of the CYL Central Committee, delivered a speech entitled “Work Conscientiously and Avoid Making Empty Talk,” in which he called on CYL organizations at all levels to earnestly implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee in conjunction with the work of the CYL.

The session conscientiously studied the speeches by Comrades Jiang Zemin and Li Peng and the “Proposals of the CPC Central Committee on the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development.” The comrades attending the session unanimously held that the seventh plenary session was an important meeting as it opened up the prospect for socialist modernization in the coming decade and for realizing the second-step strategic plan. The “Proposals” is a programmatic document guiding the people of all nationalities, including all the young people, to continue advancing. In doing their work, CYL organizations must creatively implement the central guidelines, mobilize and guide CYL members and young people throughout the country to make positive contributions to realizing the 10-year program and the Eighth Five-Year Plan for National Economic and Social Development.

The session revised and examined the “CYL’s Construction, Reform, and Development Plan for the Eighth Five-Year Plan Period.” The CYL’s plan set the general goal of the CYL work during the period as follows: Persisting in the party’s basic line for the primary stage of socialism, implementing the party tasks for strengthening CYL work proposed by the party Central Committee, enlivening the work of the CYL while focusing attention on the Eighth Five-Year Plan, and making contributions to building socialism with Chinese characteristics.

The session also urged CYL organizations at all levels to further implement the guidelines of the Third Plenary Session of the 12th CYL Central Committee on the basis of studying and understanding the guidelines of the seventh plenary session of the 13th party Central Committee, make good arrangements for this year’s work, and strive to achieve something during the first year of the Eighth Five-Year Plan.

### State Council Information Office Leaders Named

*HK2501014191 Hong Kong HONGKONG STANDARD  
in English 25 Jan 91 p 11*

[By Fan Cheuk-wan]

[Text] China’s Vice Foreign Minister Tian Zengpei, who is in charge of Hong Kong and Macao affairs, will be a key official in the new Information Office under the State Council.

The office is scheduled to be set up next month.

Informed Chinese sources yesterday said Mr Tian would join the office because of his expertise in his portfolio within the Foreign Affairs Ministry.

Sources said the office would be a ministerial department with the same leadership as that of the newly reorganised External Propaganda Leading Group under the Central Committee.

Sources said Zhu Muzhi, head of the party's External Propaganda Leading Group and former director of the Party Central Committee's Propaganda Department, would be made director of the office.

"Vice ministers of Foreign Affairs and Foreign Economic Relations and Trade, as well as deputy heads from the Taiwan Affairs Office and the Hong Kong and Macao Affairs Office are also members of the External Propaganda Leading Group," sources said.

Li Lanqing, the newly promoted Minister of Foreign Economic Relations and Trade, was said to be a former member of the External Propaganda Leading Group under the Central Committee.

"Li Lanqing joined the External Propaganda Leading Group in his capacity as Vice Minister of Foreign Economic Relations and Trade. After his promotion to minister, he has withdrawn and another deputy head from his ministry will join the group."

Sources said deputy heads from these ministries and offices were asked to join the new office because of their expertise in handling foreign, Taiwan, Hong Kong and Macao affairs.

Yuan Mu, spokesman for the State Council and director of the Research Office of the State Council, will also be an important figure in the office.

Zeng Jianhui, deputy director of the Party Central Committee's Propaganda Department and deputy head of the External Propaganda Leading Group, will be appointed office deputy director.

Mr Zeng was removed as deputy director in XINHUA News Agency in Beijing earlier this month.

"The Information Office will formulate national strategies to boost the positive external propaganda of the overseas media towards China.

#### Chen Junsheng on Development in Minority Areas

OW2401215491 Beijing XINHUA Domestic Service  
in Chinese 1006 GMT 24 Jan 91

[Text] Beijing, 24 Jan (XINHUA)—A leading comrade of the State Council thinks highly of "A Proposal on Certain Questions Concerning Policy in the Current Economic Development in Minority Areas" made by the Central Committee of China Democratic National Construction Association and the All-China Federation of Industry and Commerce.

State Councillor Chen Junsheng pointed out: The proposal made by the Central Committee of China Democratic National Construction Association and All-China Federation of Industry and Commerce is very important, and departments concerned should seriously study it and make efforts to carry out in their own work what is said in the proposal.

In order to bring the role of participating in and discussing political affairs into full play and to promote the development of reform, openness, and socialist modernization, the Central Committee of China Democratic National Construction Association, the All-China Federation of Industry and Commerce, and some local organizations of the above two units have spent a year's time conducting an investigation on questions concerning policy in economic development in Ningxia, Qinghai, Gansu, Xinjiang, Inner Mongolia, Sichuan, Guangxi, Yunnan, Guizhou, and other provinces and autonomous regions. They have also held several seminars; solicited some experts, scholars, and relevant departments for suggestions; studied, expounded, and proved these suggestions; and made the "Proposal on Certain Questions Concerning Policy in Current Economic Development in Minority Areas."

The main contents of the proposal are: Attach great importance to and seriously treat the question of economic development in minority areas; seriously implement the regional national autonomy law; appropriately make allowance for minorities in finance, investment, credit loan, and taxation policy; properly readjust the prices of energy resources and raw and other materials; continue to adopt the policy of giving subsidies to minority trade and production of ethnic products; correctly handle the relationship between the state enterprises on the one hand and local economic development and the masses' livelihood on the other; speed up opening to the outside; and make great efforts to develop education, train qualified personnel, and implement the policy on intellectuals in minority areas.

#### Judge on Supervision Over Administrative Justice

OW2401143891 Beijing XINHUA in English  
1357 GMT 24 Jan 91

[Text] Beijing, January 24 (XINHUA)—A high ranking female judge appealed today for people's congresses at all levels to strengthen supervision in handling administrative cases so as to further improve the country's new trial system.

Ma Yuan, vice-president of the Supreme People's Court, said that since last October over 4,000 administrative cases have been handled by the courts. Ma noted that it was in October when the country's first administrative procedural law was implemented.

At that time many administrative departments and some courts were worried that the possibility of a sharp rise in the number of administrative cases following implementation of the law might prove to be unfavorable to the

exercise of powers for administrative bodies, and in fact even be harmful to social stability.

"Fact has proven such worries to have been unfounded." Ma told the over 160 National People's Congress deputies gathered in the Great Hall of the People.

The number of such cases in last three months was only 50 percent more than the figure for the same period in 1989.

The vice-president said that the rise in the number of administrative cases has by no means hindered any of the normal activities of administrative organs in performance of their duties.

Ma said that people's congresses and their standing committees should give more support to the trial of administrative cases, which she believed involves the state administration and which must be faced with some difficulty.

In a report concerning the implementation of the administrative procedural law, Ma expressed her hope that all state power organs would become more concerned about the establishment of both trial and executive bodies in regards to administrative cases.

China now has over 9,700 judges employed in over 3,000 administrative divisions under China's court system.

### **Article Marks Zhou Enlai Death Anniversary**

*HK2401135191 Beijing RENMIN RIBAO in Chinese  
8 Jan 91 p 5*

[Article by Xiong Xianghui (3574 0686 2547): "Charm of Premier Zhou"]

[Text] Editor's note: Today is the 15th Anniversary of Premier Zhou Enlai's death. We publish Comrade Xiong Xianghui's article to mark this occasion. The original title of Xiong's article is "Zhou Enlai and My Twelve Years of Underground Work," which recalls the talents in both polite letters and military strategies and the intelligence and courage that Premier Zhou displayed during the anti-Japanese war. The entire article is in five parts from which we publish a few excerpts here. [end editor's note]

### **Listening to Zhou Enlai's Teaching for the First Time**

At the seat of the service regiment, Wuchang Teachers' College, I saw a poster which read: Wuhan University Research Society of Issues Regarding Anti-Japanese War has invited Zhou Enlai to give a speech. The time was 0900, 31 December 1937. Two young men, total strangers to me, were talking to each other: "Whenever Zhou Enlai gives a speech, you must make a point of attending it. They say that what upsets Chiang Kai-shek most is lack of someone like Zhou Enlai in the Kuomintang [KMT]." "Zhou Enlai is versatile, in polite letters and in military strategies, which makes him the pillar of

a country. Chiang Kai-shek has a mixed feeling of fear, hatred, and admiration toward him."

I had long been admiring Zhou Enlai before then. At around 0800 on 31 December, I managed to get to Luojiashan. The auditorium of Wuhan University was already packed and I had to jostle for a standing space by the wall. Someone was conducting the audience to sing "March of the Volunteers" and "March of the Broad-sword".... A moment later, Zhou Enlai walked up to the rostrum accompanied by the host of the meeting. This was the first time I had ever seen him. Glowing with health and beaming with radiating vigor, he waved to the audience who had risen to applaud.

The topic of Zhou Enlai's speech was "The Nature and Task of the Youth Movement at the Present Stage." His radiant bearing attracted all eyes and his thought-provoking speech won bursts of applause. Warm was the applause when he said: "Now that the war is here, we cannot carry on with our studies at ease." The applause became even warmer when he said: "Young people today should not only ask how to win the final victory of the anti-Japanese war, but also ask how to transform China after the victory is won." He put forward the directions that the young people should follow at that time: "First, join the Army"; "second, join the service contingent at battlefields"; "third, go to the rural areas"; "fourth, go to the enemy-occupied places." Toward the end of his speech, he cried out a sonorous and forceful call: "Young friends, strive to win the final victory of the anti-Japanese war, strive to make an independent, free, and happy New China!" This brought the mood of the meeting to a climax, at which Zhou Enlai waved goodbye to the audience with a smile.

The host to the meeting was clever. He, turning Zhou Enlai's last two sentences into a slogan, led the audience to shout it and told them to bear it firmly in mind. He explained: The first sentence sets our present task and the second sentence shows our future objective; when combined, they are the program for our lifetime struggle. He said: Now please think about it, where are you going? At this point, many people down the rostrum shouted: To Yanan! To the Eighth Route Army!

Some other members of the service regiment also went to this speech. Back in the place where they were stationed, they conveyed the message to those who had not attended the speech and thought that this service regiment was operating in the direction that Zhou Enlai had pointed out.

### **Zhou Enlai Made Seemingly Superfluous Moves on the Chessboard and Placed Chessmen in Idle Positions**

That evening, I took the ferry from Wuchang across to Hankou and managed to find the Eighth Route Army office. Jiang Nanxiang [5592 0589 5046] was out and Comrade Dong Biwu received me. Our revered Comrade Dong said: Enlai does not expect you to be here tonight. He will not be back until midnight as he has something to do away from here. The last ferry leaves at 2300. You

do not have to wait here. Please do not come again because you need not see Nanxiang. I will tell you Enlai's opinion in detail. Enlai said that one conversation may see you through several years.

Dong said: Enlai is familiar with the KMT and knows Hu Zongnan well. When at Whampoa Military Academy, Hu Zongnan approached the Communist Party but later followed Chiang Kai-shek closely and became number one among Whampoa graduates. He and Chen Cheng [7115 6134], who was not connected to Whampoa, were Chiang Kai-shek's closest confidants. Enlai once told [journalist Edgar] Snow in northern Shaanxi that Hu Zongnan was the most talented commander under Chiang Kai-shek. He was better than Chen Cheng and was inclined to resist the Japanese invaders as he was inwardly patriotic. In September 1936, Enlai wrote a letter to Hu Zongnan, saying that he was an outstanding Whampoa graduate and had won his fame by suppressing the Communists. He believed that Hu Zongnan was not someone who could only fight bravely in a civil war but not against aggression from abroad. He persuaded him to urge Chiang Kai-shek to rise against the Japanese invaders and hoped that he could become a national hero. After the Xian incident had happened, T.V. Sung went to Xian to discuss government reorganization with Enlai, Zhang Xueliang, and Yang Hucheng. They made an unannounced decision that Yan Zhong [0917 6850] or Hu Zongnan replace the pro-Japanese He Yingqin as Minister of Military Affairs. Though the plan failed to come true, it showed that Hu was someone that attracted attention from different parties. Hu gave a good account of himself in the Wusong-Shanghai battle against the Japanese. His troops suffered heavy casualties because of Chiang Kai-shek's wrong strategy. He is now expanding his force with new recruitments. He is still one of Chiang's towers of strength.

Dong continued: The moment he learned that a service regiment was being set up in Changsha to join Hu Zongnan, Enlai asked Jiang Nanxiang to recommend an undercover CPC member to sign up for it. In view of Hu's characteristics, Enlai suggested the qualities that the candidate should have: He should come from a distinguished or official family background and be young and good-looking; his known political affiliation should be neither on the left nor on the right, and he should carry the makings of a patriotic, progressive youth in his words and deeds; he should have a wide range of knowledge and powerful memory, have done some reading in the introductory literature of Marxist-Leninist basic principles and Dr. Sun Yat-sen's works; he should be a careful person, willing to use his head and capable of adapting himself to changing circumstances. Nanxiang recommended you. After Enlai and I listened to what he said about you, we found you the right person.

Dong said: Hu Zongnan had a good impression of you the moment he met you. This is proof that Enlai's idea was absolutely right. Since he wants to "patronize" you, you should go along with it. Dong also said: What Hu

said to you shows that he still has the enthusiasm to fight the Japanese and does not want to abandon Dr. Sun Yat-sen's banner of national revolution. It is also discernible that he is still keeping a wary eye on the CPC.

Dong explained to me the major lessons that could be drawn from the failure of the first great revolution, the formation and development of our party's anti-Japanese united front, and the essential spirit of the "CPC Central Committee's Declaration for Announcing the KMT-CPC Cooperation." Dong said: The KMT-CPC cooperation is in the interest of the overall situation at present. We urge and help the KMT to fight the Japanese through various channels, and the service regiment can also make some positive contributions. This is not the sole purpose of your joining it. At present, the KMT-CPC cooperation takes on a promising look and the Central Committee is striving to strengthen and further this cooperation. Will our wish come true? Will Chiang Kai-shek and Hu Zongnan turn against the CPC while fighting the Japanese? There is no definite answer. Enlai has much experience and stands for repairing the house before it rains, that is, trying to gain the mastery of the situation by striking only after the enemy has struck but taking a preparatory step ahead of the enemy. It is high time to make seemingly purposeless moves on the chessboard and place chessmen in idle positions. You are the very chessman that Enlai has planned to maneuver in a seemingly purposeless way. If the chessman remains idle and unused, it does no harm to the overall situation; but if it ceases to be useless, the whole game will benefit. This is a special task and the concrete requirements are yet to be determined in view of future developments.

Dong said: According to Nanxiang's description, your major shortcomings are arrogance and impetuosity. You should try your best to overcome them. Regarding, Enlai expects you to pay particular attention to the following three points:

First, do not be anxious to find our party organizations. Up till now, only Enlai, Nanxiang, and I myself know that you have a special task. We will manage to find out where Hu Zongnan stays in the future and contact you there. This will take some time, but no matter how long it will be, you should wait in patience and not in anxiety. Before the contacts are established, you should never leave Hu Zongnan's troops. Instead, you should decide for yourself on problems centering around this special mission. Even after we have established contacts with you, it is probable that we do not need you, or that you may not be able to play a special role. In either case, you should not feel anxious but be happy to become an idle chessman.

Second, cover your CPC identity; do not persuade anybody to join the CPC; do not join the leadership of the service regiment; keep to the non-left, non-right, patriotic, and progressive political affiliation; be prepared to join the KMT; comprehend what is meant in the central declaration by "the Three People's Principles advocated by Dr. Sun Yat-sen are indispensable in China today"

and with this mind, bide your time and urge Hu Zongnan to continue to fight against the Japanese and make some progress. This should be done naturally. Do not go for quick results. If Hu Zongnan becomes antagonistic toward the CPC, you should agree with him on the surface, like a Tianjin radish which has a white skin but red heart. Even when you are misunderstood and reviled by those friends of yours who have progressive ideas, do not regard it as a loss of face and be eager to assert your innocence. You should be tolerant and persevering.

Third, in the KMT, you may be moderately arrogant toward other people. Better be supercilious than obsequious because obsequiousness will invite disdain and makes it hard for you to accomplish anything. Do not overstep. The KMT is full of complications. You should adapt yourself to the surroundings, go along with them but not mix up with them in their evil deeds. You should rise from the mire and remain uncontaminated. In handling things, no matter when and where you handle them, you should never be arrogant, otherwise you will become careless and make mistakes. Prudence is the thing, which does not mean hanging back. A revolutionary should be courageous, but not foolhardy. This makes necessary your carefulness and willingness to use your head, which you should bring into play. Adapt yourself to changing circumstances with courage and tact.

Dong said: You have won Hu Zongnan's initial trust and made a good start. Do not expect smooth sailing all the time. The place you are going to may turn out to be a tiger's den. Enlai said the following: "To catch tiger cubs, you have to enter the tiger's lair."

#### Zhou Enlai Arrived in Xian When Yanan Was in Danger

In late June 1943, over 100 people including Zhou Enlai, Deng Yingchao, and Lin Biao were going back to Yanan from Chengdu by car. They reached Xian on 9 July. At that time, Yanan and the entire Shaanxi-Gansu-Ningxia Border Region was in a state of emergency.

Hu Zongnan had been promoted and become deputy commander of the Eighth Battle Zone. The seat of the Deputy Commander Headquarters was Jianfusi Temple, commonly called Xiaoyanta Pagoda, in the southern suburbs of Xian. In February 1943, Zhu Shaoliang [2612 4801 5328], commander of the Eighth Battle Zone stationed in Lanzhou, sent a top-secret document to Hu Zongnan and other two commanders in this battle zone, Ma Hongkui [7456 7703 6652] of Ningxia and Ma Bufang [7456 2975 5364] of Qinghai. This was to transmit the "Plan of Operation Against the Northern-Shaanxi Bandits' Region" that had been examined and approved by Chiang Kai-shek himself. The relevant units were instructed to: "Seek shelter on the spot and enter offensive defense"; when the opportunity comes for a "shift to offensive," "first quickly recover the

bag-shaped zone" and then move on to "recover northern-Shaanxi region." Hu Zongnan deployed his troops according to this plan. Among the three group armies under his command, with the exception of the 34th Group Army (commanding three armies) defending the Tongguan-Yichuan section of Huang He against the Japanese troops, the other two group armies, the 37th and the 38th, stationed their headquarters respectively in Sanyuan and Pingliang and, commanding three armies each, formed "offensive defense" against "northern-Shaanxi region" and the "bag-shaped zone."

The bag-shaped zone mainly referred to Guanzhong Subregion of the Shaanxi-Gansu-Ningxia Border Region. As early as in 1939, Chiang Kai-shek ordered Jiang Dingwen [5592 7844 2429], who stationed his army in Xian at that time, to attack Guanzhong Subregion and occupied five county towns including Chunhua, Xunyi, Zhengning, Ningxian, and Zhenyuan (the pretext being that these five counties were not included under the administration of the Shaanxi-Gansu- Ningxia Border Region designated by the Administrative Yuan). A larger area of the above five counties was still under the control of the Shaanxi-Gansu-Ningxia Border Region. Jiang, Zhu, and Hu thought that Guanzhong Subregion, situated at the side behind Yichuan, with Malan Town north of Xunyi as the hub, formed a bag-shaped zone stretching into Chiang Kai-shek-controlled area, from which a southward attack could reach Xian and, in the east, the Xianyang-Yulin highway could be cut. This was a strategic point that any party would stop at nothing to seize.

On 22 May 1943, the presidium of the Comintern executive committee published the "Resolution Regarding the Proposal of Disbanding the Comintern," claiming that this was to suit the development of the anti-fascist war and make it easier for the communist parties in various countries to handle their problems independently. On 26 May, the CPC Central Committee issued its decision of total agreement to the disbanding of the Comintern. Chiang Kai-shek secretly telegraphed Hu Zongnan. The telegram said: According to verified information, the bandits' party has been going through rectification and heated internal strife for years, and the disbanding of the Comintern is a heavy blow for the bandits' party; Hu Zongnan is ordered to take advantage of this opportunity, launch lightning attacks on Yanan, and capture the Shaanxi-Gansu-Ningxia Border Region in one stroke. The deployment must be finished by the end of June and the operation be kept a top secret. For this reason, no open comments will be made on the disbanding of the Comintern.

Hu Zongnan went to Sanyuan and Yaoxian to inspect his troops in early June and convened a military conference on 18 June, which made a secret decision that the 38th Group Army, after quickly storming and occupying the bag-shaped zone, cooperate with the 37th Group Army to attack and seize the northern Shaanxi region. In late June, Hu came back to Xian only to find that the 38th Group Army could no longer carry out its task according

to the original plan. The reason was: Since 1942, there had emerged some self-organized bodies in southern Gansu, such as the "Northwest United Army of All Nationalities for Resisting Japanese Aggression and Saving the Nation" and the "Northwest Group Army Peasant Volunteers for Resisting Japanese Aggression and Saving the Nation." They established ties and cooperated with each other and raised the slogan of "Gansu should be run by Gansu people; we do not want conscription or grain taxes." They won the support from the masses of Han, Hui, and Tibetan nationalities. With their influence expanding, their armed strength reached over 50,000 and their sphere covered more than 20 counties by May 1943. This shocked Lanzhou. Zhu Shaoliang and Hu Zongnan ordered the 38th Group Army to start cracking down on 5 June. It was intended to be a battle of quick decision which would put an end to the trouble within 10 days. Even by the end of June they had not achieved their desired result (and actually it was not until mid-July that the revolt was temporarily put down). Afterwards, Chiang Kai-shek ordered Hu Zongnan to have the 1st and 90th Armies under the 34th Group Army storm and capture the bag-shaped zone. In order not to reveal their intention too early, Hu secretly instructed all participating units to send small numbers of advance personnel first and bring the principal forces to their designated positions, from which they would press forward, only two days before the attack. The scheduled date of attack was 9 July, the very day when Zhou Enlai arrived in Xian.

I made a timely report on the foregoing information to Wang Shijian [3769 4258 1017] who then sent it to Yanan in no time via secret telegraph.

#### Mao Zedong Brought the KMT to Account; Hu Zongnan Sought Ways To Deal With Zhou Enlai

On 12 July, JIEFANG RIBAO [LIBERATION DAILY 6043 2397 2480 1032] published an editorial entitled "Questions for the KMT." It pointed out that among the three group armies under Hu Zongnan's command, "two group armies were used to encircle the Shaanxi-Gansu-Ningxia border region and only one was deployed to guard the area from Yichuan to Tongguan along Huang He against Japanese aggressors." Recently, however, "from among the three armies guarding that section of Huang He, two have been moved out: The 1st Army to the area around Binzhou and Chunhua and the 90th to the area around Luochuan. They are making active preparations for the attack against the border region. Consequently, the defense of Huang He against Japanese aggressors is mostly empty." The editorial questioned the "actual" relationship "between the KMT and the Japanese." (It was after liberation that I got to know this editorial had been written by Mao Zedong and was included in the "Selected Works of Mao Zedong." At that time, Chairman Mao resolutely used the information to deter Hu Zongnan's attack at the border region.) Hu Zongnan had already issued an order on 8 July that his troops be withdrawn and the advance personnel return to their original establishments. When

reading the above article, Hu roared with laughter, thinking that the CPC had done a bad job in its intelligence work and was unable to find out what was on his mind. He was intrigued with the trenchant style of "Questions for KMT."

Informed that Zhou Enlai and some other people would soon arrive in Xian, Hu Zongnan took two measures in advance:

1. He notified Chairman of Shaanxi Province Xiong Bin [3574 2430] and relevant figures that if Zhou Enlai ever invited them to a talk, they should flatly deny that he had had the intention to attack the border region.

2. He instructed Head of the Political Department Wang Chaohua [3769 6389 5478] to arrange a reception in Xiaoyanta Pagoda in honor of Zhou Enlai and Deng Yingchao; select around 30 generals from Whampoa graduates, those among the sixth and earlier batches who had graduated from the academy, to bring their wives along to accompany the guests; treat Zhou with such respect as for a teacher and create a friendly atmosphere; propose as many toasts as possible and, preferably, get Zhou drunk. Hu also made it a rule that at the reception, Zhou should be addressed as Mr. Zhou, Deng as Mrs. Zhou, Chiang as Chief Commissioner Chiang, instead of His Excellency Chief Commissioner Chiang or Generalsissimo Chiang, and Hu himself as Comrade Hu Zongnan. Wang Chaofan asked: How should Lin Biao be addressed? Hu replied: Do not invite Lin Biao. (Lin was among the fourth batch of Whampoa graduates. He met Hu on his way back to Yanan from the Soviet Union after he had finished his convalescence leave. He humbled himself in front of Hu who consequently looked down upon him.)

The reception was held on the afternoon of 10 July. It turned out after the contacts in advance that Deng Yingchao could not come to the reception because she was not feeling well. Hu Zongnan asked me to take his private car and pick up Zhou Enlai at the Eighth Route Army office in Qixianzhuang on his behalf. Zhou Enlai asked me: What is your name? I told him my name. He took my hand and squeezed it. Then he walked with me to the gate. We had not taken more than a few steps when he halted, asked me to wait a moment, turned around, and went back to the inner court. A while later, he was back. I whispered to him in English: Take care, lest they get you drunk. The car reached Xiaoyanta Pagoda. Hu was waiting outside the reception hall. He saluted to Zhou and walked him into the hall. Wang Chaofan gave orders to the other guests who were sitting in a circle: "Rise!" Zhou waved greetings to them. He, accompanied by Hu, sat down in the double divan in the middle of the east side. Wang instructed the other guests: "Sit down!" Zhou talked to Hu and raised the questions in which he had an interest.

Wang Chaofan gave a welcoming speech. Toward the end of his speech, he said: All the Whampoa comrades present here today, please first drink three cups of wine

with Mr. Zhou to welcome his visit to Xian. Now, we would like Mr. Zhou to join us in drinking the first to the health of Chief Commissioner Chiang who is leading the nationwide anti-Japanese war.

His cup in hand, Zhou Enlai stood up. He said with a smile: Chairman Wang mentioned the anti-Japanese war. I appreciate this. The basis of the nationwide anti-Japanese war is the cooperation between the KMT and the CPC. Chief Commissioner Chiang is the KMT's paramount leader. In order to show our sincerity in the KMT-CPC cooperation against the Japanese aggressors, I, as a CPC member, am willing to drink to Chief Commissioner Chiang's health. Now that all of you are KMT members, please drink to the health of Chairman Mao Zedong!

Hu Zongnan was struck dumb. Wang Chaofan and other guests did not know what to do. Zhou Enlai looked around and said, still smiling: It seems to me that you do have some difficulty. I will not force you to do anything that you cannot. Let us just leave this cup of wine. He put down the cup and resumed his conversation with Hu in a perfectly composed manner.

A while later, a dozen gorgeously-dressed ladies walked up to Zhou Enlai with their cups in hand. One of them said: Though we have not attended Whampoa Military Academy, we all know that Mr. Zhou advocated Whampoa Spirit in the academy. To carry forward the Whampoa Spirit, let each of us drink a toast to you, Mr. Zhou.

Zhou Enlai wittily said: Ladies, you are all very beautiful and this lady's words are even more so. May I ask: What is this Whampoa Spirit that I advocated? I will drink with whoever gives the right answer. They were all at a loss for words. Hu Zongnan hastened to smooth it over by saying: Our topic today is what we shared in the old days, not politics. Zhou turned to these ladies and said: Then let us talk about something else. He exchanged brief greetings with each of them and sent them back to their seats. They, instead of feeling embarrassed, all beamed with smiles.

Zhou went on to talk with Hu, about politics and about military affairs. Then a dozen generals came up to Zhou in a line, each with a cup in hand. The leading one said: Just now Comrade Hu Zongnan instructed us to talk about what we shared in the old days only today. When we were studying in Whampoa Military Academy, Mr. Zhou, you were director of the political department and had a teacher-student relationship with us. As your students, Mr. Zhou, each of us would like to drink a toast to you.

Zhou Enlai said: Deputy Commander Hu said politics is not the topic today whereas this general mentioned that I was once director of the political department of Whampoa Military Academy. As director of the political department, I cannot but talk about politics. Please, Deputy Commander Hu, shall I, or shall I not, drink this toast? Hu Zongnan said: They are all soldiers and have

no head for politics. Let them go ahead and drink it, as a forfeit. They took the order and tossed off the wine. Zhou shook hands with each of them, asked them their names and positions. When they went back to their seats, they all looked happy.

Soon, another group of ladies came over. One of them read from a written prompt: We have long been looking forward to meeting Mrs. Zhou and expected to see her in all her grace and elegance today. We did not anticipate that her indisposition had held back her welcomed presence. Each of us would like to drink a toast to Mrs. Zhou, to express our respect for her and wish her a speedy recovery and a safe journey back to Yanan. We cordially request you, Mr. Zhou, to drink separately with each of us on Mrs. Zhou's behalf. You have always been respectful to women and will definitely respect our request.

Zhou Enlai said in a serious tone: Now that this lady mentioned Yanan, I would like to say a few words. A few years ago, even millet was impossible to have for the people in Yanan. By developing production through self-reliance, things are easier than before, but difficulties remain. If Comrade Deng Yingchao were to drink such good wine, she would feel uneasy. I respect women, and so I do Comrade Deng Yingchao's feelings. If you please drink the wine, I will drink tea on her behalf. This way we can show our respect for each other. He clinked his teacup with their wine cups. They drank the wine and he did the tea.

When taking leave, Zhou Enlai held up his cup and said: I am grateful to Deputy Commander Hu for his lavish hospitality. When I arrived in Xian yesterday, I read Commander in Chief Zhu De's telegram, dated 4 July, for Deputy Commander Hu. It said that Deputy Commander Hu had maneuvered his Huang He troops westward and a civil war might be triggered at any moment. I asked Deputy Commander Hu about this today. He told me that it was but a rumor. He said that he has no intention of attacking the Shaanxi-Gansu-Ningxia Border Region and the troops under his command will not make such a move. I was happy to hear this and I believe that all of you will be happy to hear this. I would like to avail myself of this opportunity to drink a toast to Deputy Commander Hu and to all the generals and their wives. I hope we will make concerted efforts to carry on with the war against the Japanese aggressors, adhere to our unity, continue to make progress, defeat the Japanese aggressors, recover Nanjing, Shanghai, Peiping, Tianjin, the three northeastern provinces and all Japanese-occupied land of China, thoroughly realize Mr. Sun Yat-sen's Three People's Principles, and build our motherland into an independent, free, happy, and powerful country! Those who agree, please drink it. Those who do not are under no obligation. That said, he tossed it off. So did Hu Zongnan. So did all the other guests.

Hu walked Zhou to his private car. He said to Zhou: I had Secretary Xiong meet you on my behalf, Mr. Zhou, and I will have him see you off on my behalf again. I got

on the car and sat at Zhou's left-hand side. As the car started to move, Hu saluted with eyes and Zhou waved goodbye to him.

On the way, Zhou Enlai said: I have told Deputy Commander Hu that I would give him some books and journals published in Yanan. When we get to Qixianzhuang, I will have them find some. Please wait for a while, Secretary Xiong, and take them to Deputy Commander Hu. Looking at the driver's back, he clasped my right hand with his left hand. I understood that he would have a word with me.

#### Zhou Enlai Had a Secret Talk With Me for 15 Minutes

Zhou Enlai took me into a room on the eastern side of Qixianzhuang's inner court. Having closed the door, he once again held my hands tight, saying: "It has been tough for you these years." I burst into tears. He softly said: "Hold it." I understood the double meaning of these words. Zhou looked at his watch and said: I will ask you about something but it should not take more than 15 minutes. Zhou asked: Will Chiang and Hu attack the border region? I said: It depends on the overall situation. When Chiang instructed Hu to transfer his force to Xian to garrison the vast northwest in 1939, he gave the latter this strategic principle: "Resist the Japanese aggressors from the east; check the communist bandits from the north; guard against Soviet Russians from the west; deter the Hui rioters in the heartland." The defense priorities are in order of east, north, west, and heartland. As the Soviet-German War broke out, Sheng Shicai [4141 0013 2088] threw in his lot with Chiang last year, and Hu's 3d Group Army will enter Xinjiang from the west of Huang He in Gansu, there is no fear of disturbance from the west for the time being. The other three sides remain unchanged. Hu wants to expand his army. As the KMT-controlled area has shrunk, the paper currency has been devalued, and manpower, grain, and finance are all in short supply, the expansion is not feasible. Now Hu has three group armies, but they have to deal with three opponents and are caught in straitened circumstances. Ma Hongkui of Ningxia and Ma Bufang of Qinghai are both local bullies and in control of the Hui people. Chiang has to give them military and political power on the one hand and needs Hu to "cow" them into submission on the other for fear that they might build up their own regime and rise against Chiang, surrender to the Japanese, or unite with the CPC. As most part of Shanxi has fallen into enemy hands, the defense of the Tongguan-Yichuan section of Huang He is now of vital importance and Chiang wants Hu to use the 34th Group Army, his backbone force, for this purpose. If the Japanese Army crossed the river and entered the 800-li land of Shaanxi, the KMT-controlled vast northwest would be lost and Chiang would have no bargaining chips for peace talks when he wanted to do so. The year before last, Chiang sent his second son Wei-kuo to Hu's 1st Division as platoon leader. He has now been promoted to be a company commander and has always stayed in the vicinity of Tongguan. This shows Chiang's trust in Hu and his attention to the defense of this section of

Huang He. After the Pearl Harbor incident, the United States wanted to pin down the Japanese forces with the help of China. The frequent defeats of Chiang's army have disappointed the United States. Chiang is worried that the United States may turn to support the Eighth Route Army and the New Fourth Army. Last year, when U.S. special envoy Willkie was in China on an inspection mission from Roosevelt, Chiang made a special arrangement for him to visit the defending troops and fortifications in Tongguan and review a division of Hu's 1st Army, his crack force, to show that Chiang had the strength and determination to fight against the Japanese. By advertising his anti-Japanese deeds, Chiang can jack up his status and win the assistance from the United States. To this end, he needs Hu, to a greater extent, to tenaciously defend the river and "resist Japanese aggressors from the east." Chiang and Hu have long wished to seize the border region, but because they have been busy "resisting the enemy from the east" and "deterring the revolt in the heartland," they lack the strength to make headway northward. This situation, coupled with the fear that we may carry out "political southward march" or "military southward march," determines that their policy toward the "north" will focus on "checking," in an attempt to restrict our forces in the northwest within the border region defined by Chiang. This time, Chiang wanted to take advantage of the disbandment of the Comintern and change the policy of "checking" into one of "suppressing." He dared not do this openly, so he ordered Hu to make lightning surprise attacks. The plan was made and the bulk of the troops had not yet taken their places when Commander in Chief Zhu sent a telegram to reveal this. The two remarks, "the Japanese aggressors will reap the gains" and "it will harm the allies," hit home. Chiang and Hu were compelled to withdraw their troops and denied that they had ever had such an intention. This was how their plan fell through, and it will be even harder for them to make another attempt in the future. It is not that they do not want to: It is because they are not in a position to and the situation makes it impossible. Their policy will go back to one of "checking." Chiang and Hu have spread the words that the bag-shaped zone is an encroachment and constitutes a threat. They will continue to invade and harass it but I do not think it will cause any danger. Zhou asked: Is Hu resolute in his antagonism against the CPC? I said: For a time I thought that Hu could become a "Chapayev." This was an illusion. Hu was put in an important position by Chiang and was indebted to the latter for his appreciation of his ability. It is in his own interest for him to be loyal and obedient to Chiang. When Chiang fights the Japanese aggressors, he supports him; when Chiang goes against the CPC, he follows him. For the border region, he has built a 650-km long tightly controlled blockade line from Yichuan, via the northern foot of Huanglong Shan and Luochuan, to Huanxian County of Gansu Province. He has also been trying various means to win young people away from us. He has an extremely close relationship with Dai Li [2071 4567], so much so that even the Military Commission Investigation and Statistics Bureau is at his disposal. He set up

a secret service himself to gather intelligence about and sabotage our party's activities. He built a labor camp in Xian to lock up Communists, "suspects," and dissidents. He has also used traitors and Trotskyists to run anticommunist journals. However, there is another side to him. He has kept as treasure the letter you wrote to him on 1 September 1936. He showed it to me once and was apparently quite touched by your remark "you made your name by cracking down on the Communists but I personally feel sorry for you as you have not become a national hero." He objects to surrendering to the Japanese and detests Wang Jingwei and his ilk. He often writes to Zhang Xueliang to convey his greetings. After the war between Japan and the United States broke out, he asked for permission to cross the river and launch a counterattack, which was turned down by Chiang. When Du Yuming [2629 5124 2494], a Whampoa graduate, led an expeditionary army to fight abroad, he envied him. He once asked me to draft a "spirit speech," focusing on the importance of being a "revolutionary soldier," boosting the morale of fighting against the Japanese aggressors, emphasizing national integrity, and opposing corruption and degeneration. The anticommunist tone was not marked. Last year, the CPC Central Committee invited him through Wang Shiying to visit Yanan. He wanted very much to go there and do something in coordinating relationships, but Chiang did not give his consent. Even though the plot to launch a lightning attack at the border region as instructed by Chiang fell through and stood exposed, he could have gone ahead with it regardless of the consequences. He weighed the pros and cons and asked for permission from Chiang to give up this attempt. His dual character is quite obvious: He wants to both fight the Japanese and oppose the Communists. According to the way things stand and the responsibility he shoulders, he, as far as military affairs are concerned, still puts "resisting the Japanese aggressors from the east" in the first place and "checking the communist bandits from the north" in the second.

Zhou asked: Is that lady commander of the service regiment still causing you trouble? Is there any loophole regarding your security? I said: A few years ago, Li Fanglan [2621 5364 5695] came to me and brought up the old topic, but I managed to tide over it. The head of Hu's secret service once showed me an anonymous letter which claimed that I was a "spy working for the bandits." I smote the table in anger, questioned him about his intention, and accused him of using the lousy spy trick on me. I threatened to hand in my resignation to Hu. He stopped me, saying that he meant well and what he had done was only intended to let me know that someone had framed me and I should be careful. In coping with such a situation, I always use the tactic of offensive defense. Hu is of a suspicious nature and it is difficult to win his trust. I have always borne in mind the instructions from you and our revered Comrade Dong and exercised extra caution on all matters, big or small. It is typical of Hu to unexpectedly go on an inspection tour in plain clothes and with a small entourage. (He thinks that it is the safest to follow a secret itinerary in

plain clothes and with a small entourage, whereas much publicizing beforehand and a host of entourage will be an easy target for an enemy plot.) Once he went to Xixiakou to meet Tang Enbo [3282 1869 0130] and only brought two persons with him. On the way, we stayed overnight in a village school. He accidentally found out that I had been standing sentry the whole night through alone, which impressed him immensely. Through his observation and tests of all these years, he has now placed deep trust in me. So far I have had some moments of cold sweat but no real danger has happened to me, and even if I plunge into a dangerous situation, I can still control myself and handle it. Zhou Enlai took a look at the watch and said: When Jiang Nanxiang went back to Yanan the year before last, I let him present a detailed report of your situation to Chen Yun. I will also talk about it with the chief leaders of the Central Committee. You are now in the tiger's lair and occupy an important post. There is no need for me to tell you much about how to work. I only want to make the following points: Be loyal to the party and crafty to the enemy; do something and be careful not to do something; concentrate on major matters and neglect trivial ones, keep abreast of strategic developments, and have your eyes mainly on protecting the party Central Committee.

Once again, Zhou Enlai held my hand tight, shook it, and said: I am not walking you out. See you after our victory.

#### **Zhou Enlai Was Circumspect**

A few comrades of the Eighth Route Army office in Xian sent several bundles of wrapped books and journals published in Yanan into my car and handed me a few unwrapped magazines. Not until then did I see the reason why Zhou Enlai, when I was collecting him, had told me to wait for a while and gone back into the inner court after asking me my name: It was to instruct them to make preparations so that I could have an excuse for staying in Qixianzhuang. I also realized that it was also part of Zhou Enlai's carefully calculated arrangement to let me have a few unwrapped magazines. If someone asked me what the "Eighth Route Army commies" talked to me about when I was waiting in Qixianzhuang, I could say that they had been busy looking for, wrapping, and bundling up the publications and I had been left alone to read these magazines.

Zhou Enlai and his entourage left Xian to Yanan on 13 July. The Xian station of the Military Commission Investigation and Statistics Bureau sent in a summary report in order to show how well they had fulfilled their duty. In the report, it was mentioned that one person went to Qixianzhuang to collect and send back Zhou Enlai in Hu Zongnan's private car. He picked up Zhou at this minute of this hour and sent him back at this minute of this hour. He took away with him several large bundles of unidentified stuff. It was obvious that this person took away some reactionary journals. I sent this report to Hu Zongnan who, after reading it, cracked up laughing. He said smugly: Whatever Zhou Enlai did in Xian could not pass without our notice.

**Article Urges Promotion of Cadre-Reshuffle Work**  
**HK2401150591 Beijing RENMIN RIBAO in Chinese**  
**19 Jan 91 p 4**

[Article by Lu Feng (0712 2800), head of the CPC Central Committee Organization Department: "Vigorously Promote the Work of the Cadre Reshuffles"]

[Text] Cadre reshuffles are an important part of cadre system reform, about which the central authorities have issued official documents. Cadre reshuffles work hand in hand with, and are for the sake of, the construction of leadership groups, and not done for their own sake. On this point most comrades are in agreement, though some have worried that reshuffles may affect stability and cause ideological fluctuations among some people. These worries are understandable. The general situation now is one of stability. If cadre reshuffles are handled well, they will not affect stability; on the contrary they will promote it.

The fundamental purpose of cadre reshuffles is to train and coach cadres, widen their horizons, enhance their talents, and enable them to do a better job. Specifically, cadre reshuffles are, first, needed by cadres for self-growth. From the perspective of the growth of cadres, cadres can only broaden their knowledge and views, learn more skills and gain richer experience through training in different regions, departments, at different levels and work posts. For example, a comrade has been working at central, provincial, or city organs ever since he graduated from university. He will be familiar with work in governmental organs but lack practical experience in grass-roots leadership work. If he is sent down there in a reshuffle, after a period of training he will certainly gain experience and acquire talents in this area. A comrade who has worked at the grass roots for a long time, say from being a village government assistant, through deputy village head to village party committee secretary, will naturally be familiar with rural work and have richer practical experience, but will know little about work in provincial, city, or county organs. Moreover long-time grass-roots work will have limited his horizon, and he will have little understanding of the general condition. Would it not be better to transfer this kind of comrade to organs to widen his horizon and help him understand the overall situation? The training of rotating work posts serves the same purposes. For example, a certain comrade in a county can be a financial bureau chief today, after a while an industrial bureau chief, and afterward a commercial bureau chief or civil affairs bureau chief; and then on to become deputy county chief and county chief. If he wants to be a county party committee secretary he will have to go through training in party work post. Only then will he be able to meet the requirements of all-around leadership. We often talk about the "four modernizations" of cadres and their gaining wider scope of knowledge. If you know only so much, and your knowledge is limited in scope, you will run into difficulty when you finally assume all-around leadership. Earlier central leading comrades have said that, from now on, department heads and provincial

governors should first be politicians. To do this, they should think all together on a higher level and have a broader perspective. Therefore, cadre reshuffles are a good method for giving all-around training to cadres and represents a need of self-growth for them. Second, the need arising from work. For example, if a county is short of a bureau chief, with a reshuffle between counties, that problem will be solved. Say the age structure of a leadership group is not exactly ideal, and another lacks divisional supervisors or cadres of a certain skill, a few reshuffles will take care of the problems. Third, the need of the masses. The masses very much like cadres to reshuffle because this can help break "relationship networks" and foster a good spirit. As yet we have not put to full practice the nepotism-preventing system, that is cadres will not assume chief leading work in their hometown. Some provinces have practiced it, with great mass support. This practice is also good for cadres. If a cadre works in his hometown, all his relatives may go to him for help. One will ask: "Please help this child with his application for changing his rural residential status into non-rural one." Another will ask: "Please help this child with his job transfer." He could not shake off these requests even if he wishes. If he sticks by the principle, he may be accused of "turning his back on all his kin." Therefore, cadres who are in charge of chief leading work will always be burdened by these requests, but can avoid all these if they do not work in places of their origins. Facts proved that cadre reshuffles help break "relationship networks." Efforts over the last few years have resulted in reshuffling a great number of cadres. This includes over 100 cadres at the departmental and provincial levels and many more at the prefectural and county levels. In some provinces 80 percent of county-level cadres have been reshuffled. Judging from most of the reports its effect has been good.

There is a concept which we must change. Once there is a cadre reshuffle somebody will think that some cadres have made mistakes. If any cadre is transferred from a county to a village, or from one region to another, somebody will ask: Why was he sent down here? Why was he transferred away? Had he made any mistakes? The concept that equates reshuffles with having made mistakes must be changed. Cadre reshuffles will become institutionalized. We may even set a time limit to tenures, say a cadre must be transferred to another region if he has worked in one for a certain period of time. Our overseas ambassadorial system works this way, with a transfer after a certain length of service. Since this is institutionalized, nobody feels strange. There is such a phenomenon, that it is difficult to transfer cadres from rich areas to poor ones, from the developed to underdeveloped, from the interior to borderlands and from big cities to middle or small cities. For example it will be difficult to transfer cadres from Beijing to other provincial capitals, more so from there to prefectures and cities, and much more difficult from there to counties. The cause for this phenomenon lies primarily with our ideology. Therefore, we must do a good job in ideological work. At the same time we must

tighten discipline and lay stress on obeying the organization and taking into account the overall situation. We must strive to overcome the situation where transfers and acceptance of cadres are resisted and summarize and popularize some of the good experiences and practices, so this project can be carried out smoothly and can make greater strides.

(Originally carried in "Collected Essays on Party Building," First Issue, 1991)

### Deng Writes Masthead for New Xinjiang Paper

*OW2201135191 Urumqi XINJIANG RIBAO in Chinese  
9 Jan 91 p 1*

[Text] A jubilant atmosphere prevailed in the brightly lit Regional Great Hall of the People on the evening of 5 January. A meeting to celebrate the inauguration of XINJIANG JINGJI BAO [XINJIANG ECONOMIC NEWS] was being held there.

The meeting was attended by regional party, government, and military leaders Tomur Dawamat, Janabil, Li Shoushan, Zhang Sixue, Ba Dai, Haili Qiemu Silamu, Hederbai, Jin Yunhuai, Yusufu Muhanmode, and Ulatayov; officials of all regional departments, commissions, offices, bureaus, and mass organizations; responsible persons of regional press units and central press units stationed in Xinjiang; model workers; prominent entrepreneurs; and advanced workers, totalling some 300.

XINJIANG JINGJI BAO has been inaugurated in accordance with a decision of the regional party committee and the regional people's government following the closure of the former XINJIANG JINGJI DAO BAO [XINJIANG ECONOMIC GUIDE], XINJIANG XINXI BAO [XINJIANG INFORMATION NEWS], and ZHONGGUO XIBU KAIFA BAO [WESTERN CHINA DEVELOPMENT NEWS]. This comprehensive economic newspaper is the organ of the regional people's government, which is also its publisher.

Prominent party and government leader and proletarian revolutionary of the older generation Deng Xiaoping wrote the masthead of the newspaper. Vice President Wang Zhen wrote an inscription, which says: "Uphold Marxism-Leninism-Mao Zedong Thought, Strive To Build a Socialist New Xinjiang." The inscription by Wang Enmao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and chairman of the regional Advisory Commission, says: "Develop Socialist Economy, Achieve Common Prosperity of All Nationalities." The inscription by Song Hanliang, secretary of the regional party committee, says: "Run a Good Economic Paper, Promote the Four Modernizations." Tomur Dawamat, chairman of the regional government, wrote an introduction for the inaugural issue, entitled "Make XINJIANG JINGJI BAO a Successful Newspaper To Serve Xinjiang's Modernization Construction."

In his speech at the meeting, Tomur Dawamat said: As the organ of the regional people's government, XINJIANG JINGJI BAO shoulders a glorious and yet arduous task. To make the newspaper a success is of great significance in publicizing and implementing the party's line, principles, and policies and promoting economic prosperity in Xinjiang.

Janabil, deputy secretary of the regional party committee, also spoke at the meeting.

### Official on 'Serious' Population Situation

*OW2401155591 Beijing XINHUA in English  
1505 GMT 24 Jan 91*

[Text] Beijing, January 24 (XINHUA)—A government official said here today that China will have a yearly population increase of 17 million for the first few years of the 1990's.

Peng Peiyun, minister in charge of the State Family-Planning Commission, told NPC [National People's Congress] deputies, who are inspecting Beijing, that the population situation facing China remains serious even though China has made notable progress in its family planning program.

China initiated a family planning program in the early 1970's, and as a result the birth rate in 1990 decreased by 38 per cent compared to 1970. At present, the country's birth rate is lower than the average rate in other developing countries.

Peng said the key problem in controlling rapid population increases is to have an ongoing family planning policy which is implemented at the grass roots level. Peng singled out early and multiple births in the floating population as the most serious problems.

A national family planning law should be drafted, said Peng, even though 28 provinces, autonomous regions and municipalities directly under the State Council have issued local regulations concerning the family planning program.

Peng said that family planning is a comprehensive project and should be dealt with in conjunction with economic development, universal education, and improved medical services.

### Coastal Provinces Crack Down on Smuggling

*OW2501092691 Beijing XINHUA in English  
0901 GMT 25 Jan 91*

[Text] Beijing, January 25 (XINHUA)—Customs in Guangdong, Fujian, Zhejiang and Hainan Provinces handled over 764 smuggling cases in 1990 and confiscated goods worth 110.7 million yuan.

According to the Guangdong branch of the General Administration of Customs, the four coastal provinces seized 58,600 cartons of cigarettes, 3,761 television sets

and 1,765 videos, the overseas edition of the "PEOPLE'S DAILY" reported today.

### Science & Technology

#### Song Ping Praises Scientists, Technicians

OW2501092391 Beijing XINHUA in English  
0902 GMT 25 Jan 91

[Text] Beijing, 25 January (XINHUA)—A Chinese party leader said here today that China now has a contingent of well over 10 million scientists and technicians, who are dedicating themselves to the development and prosperity of the country.

They are playing a most important role in the country's drive for modernization and reform, he added.

Song Ping, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, made the remarks at a get-together attended by some 400 noted scientists and technicians in the Chinese capital to greet the coming spring festival or lunar New Year, which falls on February 15.

The happy gathering was sponsored by the Science and Technology Committee of the Chinese People's Political Consultative Conference and the China Association for Science and Technology.

Addressing the get-together, Song Ping said that the drafting and implementation of the Eighth Five-Year Plan (1991-1995) and the development guidelines for the 1990s mark a new stage of China's modernization drive.

He called on the whole society to respect and support the work of scientists and technicians and make every effort to create still better living and working conditions for them.

State Councillors Li Tieying and Song Jian, vice-chairman of the Standing Committee of the National People's Congress Zhou Gucheng, and President of the Chinese Academy of Sciences Zhou Guangzhao were among those present at the party.

#### Report on Xichang Satellite Center Achievements

HK2401063591 Chengdu SICHUAN RIBAO in Chinese  
30 Dec 90 p 1

[Report by Zhang Liqian (1728 0448 3123): "The Xichang Satellite Launching Center Has Made Tremendous Achievements"]

[Text] The Xichang satellite launching center has made brilliant achievements in fulfilling launching tasks on eight occasions. Yesterday (29 December) it ushered in its 20th founding anniversary.

Leading comrades from the base affiliated with the Commission of National Defense Science, Technology, and Industry; the Sichuan provincial party committee;

the provincial government; the Chengdu Military Region; and the Sichuan Provincial Military District came to Xichang to take part in the anniversary celebration held by the launching center.

At the celebration meeting, Cui Yi, deputy political commissar of the commission; Zhang Min, chief of staff; Li Boyong, secretary of the Sichuan provincial party committee; and Zhang Shuyun, deputy chief of staff of the Chengdu Military Region; read out congratulatory telegrams or messages or made speeches expressing their regards and highly commending the center's brilliant achievements for the last 20 years since its establishment. They also hoped they would make greater contributions to the motherland's astronautics industry.

At the meeting Wang Yongde, political commissar of the Xichang launching center, delivered a report entitled "Carry Forward the Spirit of Hard Struggle and Selfless Dedication, Work Hard for the Development of China's Astronautics Industry."

On 29 December 1970 the Central Military Commission decided to set up a missile and satellite launching base in Xichang. Infrastructural construction for the first-phase project was basically completed in 1982 after years of efforts. In 1983 six major systems for launch tests, command control, tracking tests, telecommunications, weather forecasts, and service protection took shape, providing the base with launching ability. From 29 January 1984 to 16 July this year [1990], organized and led by the relevant state department and supported by many units from all parts of the country, the center successfully carried out eight launching tasks as a result of meticulous command and operations.

#### Improved Meteorological Services Aid Economy

OW2301183191 Beijing XINHUA in English  
1319 GMT 23 Jan 91

[Text] Beijing, January 23 (XINHUA)—China is boosting its meteorological services to benefit the ongoing economic development efforts, the "PEOPLE'S DAILY" reported today.

The leading national paper said the country has established comprehensive atmospheric survey, meteorological communication, automatic data processing and weather forecasting systems over the past five years.

Now, meteorological departments are equipped with more than 7,000 computers and 230 meteorological radar systems, and the country has succeeded in launching two meteorological satellites.

While expanding services, the meteorological departments are also stressing research.

Altogether, 20 meteorological research findings have won state prizes over the past five years.

**Scientists Successful in Collecting Cosmic Dust**

*OW2401181091 Beijing XINHUA in English  
1631 GMT 24 Jan 91*

[Text] Guiyang, January 24 (XINHUA)—Chinese scientists have successfully used balloons to collect cosmic dust in the upper atmosphere at the altitude of 36 kilometers above ground.

Ouyang Ziyuan, a research fellow at the Guiyang Geochemistry Institute of the Chinese Academy of Sciences, said that in the past five years his research group carried out five balloon flights in the upper atmosphere above 36 kilometers, and have been successful in collecting various dust particles.

The research group chose 276 particles, each with a diameter of over 10 microns, to be used in further studies. After careful tests, using a number of methods including X-rays and other electronic apparatus, four particles were then carefully chosen and designated as cosmic particles.

The particles have the same chemical composition as stony meteorites—black, opaque and porous particles—which are considered to be the most primitive cosmic particles found on this planet, Ouyang said.

Ouyang said that the cosmic particles are particles left over from the formation of the solar system. After several billions of years of floating in space, some finally landed on the earth. They are considered invaluable specimens for the study of the origins of the solar system, and early stages of evolution.

This is the first time that Chinese scientists have successfully collected this type of primitive particles, Ouyang said.

**Automated Fund Management for Science Research**

*OW2401093491 Beijing XINHUA Domestic Service  
in Chinese 0838 GMT 23 Jan 91*

[By reporter Xu Zhimin (6079 1807 2404)]

[Text] Beijing, 23 Jan (XINHUA)—The first large-scale system for automated fund management for the most advanced national defense-related scientific research and tests passed an appraisal by experts in Beijing today.

The system includes a high degree of automation and secrecy security. It is capable of transmitting and processing over 10,000 data within a few seconds and thus can meet the needs of automated fund management for such important scientific research and tests as satellites, guided missiles, conventional arms, and wind tunnels. It can quickly complete budgetary estimates and final accounts for the funds for scientific research and tests through computers, and is capable of automatically conducting scores of management-related tasks for the funds, such as keeping accounts, preparing statistics and classifications, collecting data and preparing itemized

reports, and examining and verifying reports. At present, the system has been widely adopted at all the bases and research institutes responsible for national defense-related scientific research and tests throughout the country. It indicates that our country has achieved a major breakthrough in modernizing fund management for national defense-related scientific research.

There are a multitude of tasks, subjects, and projects in our country's national defense-related scientific research and tests; and, as such, management of their funds requires highly specialized expertise and involves extensive knowledge. Capable of creating a report on the use of various funds, the system provides a scientific basis for the major policies and decisionmaking regarding national defense-related science and technology. Relevant experts maintain that it fills a gap in the field of automated fund management in our country and will play an important role in reforming the financial management system and improving fund efficiency.

The system was developed by the Finance Department of the Commission of Science, Technology, and Industry for National Defense and the University of Science and Technology for National Defense after they pooled their efforts in order to tackle various problems.

**Nanjing College Begins Production, Sale of Plane**

*OW2401223391 Beijing XINHUA Domestic Service  
in Chinese 1530 GMT 24 Jan 91*

[By reporters Wang Huitang (3769 1920 1016) and Mou Weixu (3664 4580 2485)]

[Text] Nanjing, 24 Jan (XINHUA)—The AD-100 "Tourist," China's first duck-shape airplane made of composite materials, which was designed and built by Nanjing College of Aeronautical Engineering, passed technological appraisal in Nanjing today.

The AD-100 "Tourist" ultralight airplane was developed under the charge of Associate Professor Qian Zhisheng, chief designer of the light aircraft research office of the Nanjing College of Aeronautical Engineering. Unlike the traditional pattern of gliders, the "Tourist" is of a new duck-shape pattern, flying in blue sky like a white duck and bringing a fantasy to both the flyer and viewers. It has a hard structure and an enclosed cockpit, built with a beehive, double-layered composite material of glass fiber reinforced plastic. All major components which bear the stress are made of composite materials. As a sports and tourism item, the AD-100 is detachable for the convenience of transport and storage, and can be assembled in 20 minutes. Since August 1985, the AD-100 has undergone 244 takeoff and landing tests, and has been airborne for 76 hours, with the engine running for nearly 100 hours. The test flights prove that it has a good flying and gliding performance, and can make short-distance takeoffs and landings. The AD-100 airplane has passed the flyability test conducted by the Civil Aviation

Administration of China and has obtained the production permit from the latter. It is entering a stage of small-lot production and market sale.

## Military

### National Two Support Meeting Closes in Fuzhou

OW1701182991 Beijing XINHUA Domestic Service  
in Chinese 0953 GMT 16 Jan 91

[By XINHUA reporter Luo Yuwen (5012 3768 2429)  
and RENMIN RIBAO reporter Jiang Baozhang (3068  
1405 4545)]

[Text] Fuzhou, 16 Jan (XINHUA)—A national meeting on the work of supporting the Army and giving preferential treatment to families of soldiers and revolutionary martyrs and of supporting the government and cherishing the people [two supports] came to a successful close in Fuzhou today. The meeting called on soldiers and people across the country to unite closely around the party Central Committee with Comrade Jiang Zemin as its nucleus, launch the "two support" campaign in a more widespread way, further strengthen Army-government unity and Army-people unity, and make still greater contributions to attaining the objectives of struggle put forward by the Seventh Plenary Session of the 13th CPC Central Committee and to the stability and development of our country and our Army.

The meeting, which began on 10 January, was the largest "two support" work meeting held since the founding of the People's Republic. It was an overall review of achievements in "two support" work over the last several years, a comprehensive exchange of "two support" work experience gained on various fronts in the Army and in various localities, and a deepgoing mobilization for pushing "two support" work to a new stage. The meeting analyzed the situation of "two support" work across the country and put forward the tasks for next period in accordance with the instructions of the party Central Committee, the State Council, and the Central Military Commission. The meeting emphasized: Under the new situation, "two support" work's main purpose must be the strengthening of Army-government unity and Army-people unity and the promotion of stability and development in our country and our Army. Its general objective is to establish "a common interest and strong bond" between the Army and the government and between soldiers and people. We should seriously implement relevant systems and regulations, constantly consolidate and enhance our achievements, strive to raise "two support" work to a higher level, and create a good relationship of unity, fraternity, respect, and support between soldiers and people across the country.

During the meeting, the comrades present heard reports on typical experiences, held lively discussions, and visited advanced "two support" organizations in Fujian Province and among People's Liberation Army [PLA]

units. In light of realities, the meeting formulated measures for doing even better "two support" work and discussed and adopted a "Summary of Minutes of the National Meeting on the Work of Supporting the Army and Giving Preferential Treatment to Families of Soldiers and Revolutionary Martyrs and of Supporting the Government and Cherishing the People."

During the closing ceremony today, Minister of Civil Affairs Cui Naifu read a decision conferring the honorary titles of "model two support city" and "model two support county" on 10 organizations on behalf of the Ministry of Civil Affairs and the General Political Department. Leading Comrades Yang Baibing and Chen Junsheng issued honorary title certificates to representatives of the honorary title winners—Baoding City of Hebei Province, Benxi City of Liaoning Province, Tonghua City of Jilin Province, Jiamusi City of Heilongjiang Province, Xuzhou City of Jiangsu Province, Xiamen City of Fujian Province, Yantai City of Shandong Province, Zhuhai City of Guangdong Province, Baoji City of Shaanxi Province, and Jiangjin County of Sichuan Province. The audience gave them a long standing ovation.

Fan Baojun, vice minister of civil affairs, presided over the closing session.

Yu Yongbo, deputy director of the General Political Department, addressed the closing ceremony. He said: The meeting has made great achievements. After this meeting, all localities and organizations should take various actions to study and publicize comprehensively and thoroughly the guidelines of this meeting, make the guidelines strike root in the hearts of the people, further mobilize the broad masses of soldiers and people, and further arouse enthusiasm in all quarters. It is necessary to proceed from the reality of one's own organization to formulate plans and measures for promoting closer relations between soldiers and local people and for doing good "two support" work. It is necessary to make efforts to implement plans and measures, perform actual deeds, seek practical results, and carry out the guidelines of this meeting.

## Commentary Hails Conference

OW1701183291 Beijing Domestic Service  
in Mandarin 2230 GMT 16 Jan 91

[("Short" station commentary: "Effectively Perform Two Support Work Essential to Stability and Development"; from the "News and Press Review" program]

[Text] The first national two support [support the government and cherish the people, support the Army and give preferential treatment to families of revolutionary soldiers and martyrs] conference held since the founding of New China has reached a successful conclusion. At the conference, 10 cities and counties were named model two support cities or counties. We would like to extend our warm congratulations to the conference on its success and to the cities and counties on winning the honorary titles.

Under the leadership of the party Central Committee with Comrade Jiang Zemin as the nucleus, two support work has developed in both form and content in recent years. New trails have also been blazed in this regard. As a result, a gratifying situation has developed in Army-government and Army-people unity. This has tremendously influenced our country's social stability, economic development, consolidation of national defense, and national progress [minzu jinbu].

The seventh plenary session of the party's 13th Central Committee has set out the 10-year program and the Eighth Five-Year Plan for National Economic and Social Development. This has further defined second step strategic objectives in our country's modernization.

If the Army and the people are united as one, who in the world can match them? It is now more necessary than at any other time for us to strengthen the unity of the whole party, the entire Army, and people throughout the country; it is more necessary for hundreds of soldiers and people to share weal and woe, share the same destiny, and have one heart and one mind.

The experiences of the 10 model two support cities and counties and other advanced units boil down to one essential point: Two support work should be done for the stability and development of the country and Army, and the Army and government should be of one heart and mind on major policy questions and support each other in national economic construction and Army building.

History shows us that the economy is the foundation of political stability and social development. When the economy develops, national defense will have solid backing; when national defense is strong, a peaceful and stable environment for economic construction will exist. We believe that with the implementation of guidelines from this conference by various localities and People's Liberation Army [PLA] units, the work of supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs and supporting the government and cherishing the people will be raised to a new level, which will help expedite building and reform in PLA units, promote social stability and development, and ensure the successful fulfillment of second step strategic objectives in our country's economic and social development.

### **Li Zemin Attends Military District Party Plenum**

*OW2001132491 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 19 Jan 91*

[From the "Provincial Hookup" program]

[Text] Speaking at today's closing ceremony of the plenary session of the Zhejiang Provincial Military District's party committee, Li Zemin, secretary of the provincial party committee and first secretary of the provincial military district's party committee, said: The Army should breathe the same breath, share the same destiny, and link its heart together with the government

and the people in this new year in order to contribute to Zhejiang's economic prosperity and steady development.

In his speech, Li Zemin fully affirmed the Zhejiang Provincial Military District's 1990 achievements. He reported the provincial party committee's basic ideas on the Eighth Five-Year Plan and the 10-year program, as formulated according to the guidelines of the seventh plenary session of the CPC Central Committee. He called for the strengthening of national defense education, the improvement of Army-government and Army-people relations, the implementation of regulations on militia work, the strengthening of the construction of reserve forces, and the expansion of the dual internal and external functions of the Armed Forces.

The plenary session of the Zhejiang Provincial Military District's party committee was opened on 15 January.

Xu Yongqing, Standing Committee member of the Zhejiang provincial party committee and secretary of the Zhejiang Provincial Military District's party committee, delivered a work report at the meeting. He said: Under the leadership of the Nanjing Military Region's party committee and the Zhejiang provincial party committee in 1990, the provincial military district stressed political construction and persisted in dual tactics, thus making progress in all sectors of work. In particular, it achieved results in maintaining social stability, ensuring coastal defense security, and enhancing the functions of the militia reserve forces in building the two civilizations. In his report, he put forward 1991 provincial military district work guidelines such as implementing and maintaining policies, stressing party building, and focusing on the completion of work. The meeting also drew up plans for this year's work.

Attending the meeting were Commander Yang Shijie, deputy secretary of the the provincial military district's party committee; Chen Yuexing, Nie Quanlin, (Yuan Xinhua), and Yang Xuemin, Standing Committee members of the provincial military district's party committee; and commanders and political commissars of all military sub-districts.

### **Shen Daren at Jiangsu Military District Meeting**

*OW1901124891 Nanjing Jiangsu Provincial Service in Mandarin 1015 GMT 18 Jan 91*

[From the "News" program]

[Text] The plenary session of the Jiangsu Provincial Military District party committee ended today after four days in session. The meeting relayed and studied the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, analyzed and summed up the basic conditions of the buildup of all units and national defense reserve forces of the entire provincial military district in the last year, and studied and drew up plans for the major tasks to be done this year. Meanwhile, the meeting also discussed, examined, and approved the

work report of the provincial military district party committee made by Wei Changan, secretary of the party committee of the provincial military district and concurrently its political commissar; gave a positive assessment of the close attention paid by the provincial military district party committee to implementing the guidelines of the fifth and sixth plenary sessions of the CPC Central Committee and the enlarged meeting of the Central Military Commission last year; affirmed the new progress made, new achievements scored, and new experiences acquired by it in the buildup of units and national defense reserve forces; and defined six major tasks to be accomplished by the provincial military district this year.

Comrade Shen Daren, secretary of the provincial party committee and first secretary of the party committee of the provincial military district, and Comrade Zhang Zhaoxun, Standing Committee member of the provincial party committee and commander of the provincial military district, spoke at the meeting one after another.

Comrade Shen Daren briefed the meeting on the main situation of the seventh plenary session of the CPC Central Committee and his study and understanding of the guidelines of the seventh plenary session of the CPC Central Committee. He gave a fully positive assessment of the achievements scored by the provincial military district in carrying out its various tasks last year and raised specific requirements on how to further strengthen the buildup of the people's Armed Forces. He called on the provincial military district to study and implement the guidelines of the seventh plenary session of the CPC Central Committee earnestly; strive to truly integrate the thinking of the broad masses of officers, men, militiamen, and, in particular, the leading cadres at all levels with the guidelines of the seventh plenary session of the CPC Central Committee; and use the guidelines to direct various tasks. It is necessary for party committees and governments at all levels to further deepen their understanding of the party's control over the Armed Forces, conscientiously show concern for the work of the People's Armed Forces, take the initiative to help find solutions for some realistic problems, earnestly implement the regulations on militia work, make vigorous efforts to unfold activities of emulation to achieve objectives and pioneer innovations in connection with the work to expand People's Armed Forces, and promote implementation of the three tasks in connection with militia work in a bid to build the militia in our province into a battle collective that is solidly organized, reputed for reliable political integrity, well trained, and highly disciplined. It is also necessary for them to continue to do a good job in tackling two-support work [support the Army and government], further maintain close ties between the Army and the government and between the Army and the people, and strengthen unity between the Army and the government and between the Army and the people.

In his speech Comrade Zhang Zhaoxun focused on raising specific requirements on how to do a good job in

relaying and studying the guidelines of the seventh plenary session of the CPC Central Committee and how to promote implementation of various realistic tasks.

### Zhu Rongji at Shanghai Garrison CPC Session

OW1901021591 Shanghai City Service in Mandarin  
2300 GMT 17 Jan 91

[From the "Morning News" program]

[Text] The four-day enlarged session of the Shanghai Garrison CPC Committee concluded yesterday [17 January]. The session relayed and studied the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and the plenary session of the Nanjing Military Region CPC Committee, and reviewed and spelled out the tasks of the garrison party committee.

Zhu Rongji, secretary of the Shanghai Municipal CPC Committee and first secretary of the Shanghai Garrison CPC Committee, attended the meeting and spoke. On behalf of the garrison party committee, Zhu Xiaochu, secretary of the garrison party committee, summed up last year's undertakings, and laid down the tasks and assignments for this year. Xu Wenyi, deputy secretary of the garrison party committee, dwelled on how to execute the directives of Central Military Commission and the Nanjing Military Region CPC Committee regarding this year's tasks.

The meeting also commended advanced units and individuals who achieved outstanding success in building the Army and reserve forces last year.

### Chengdu Region Commander Addresses Plenary Session

HK1801122291 Chengdu Sichuan Provincial Service  
in Mandarin 1015 GMT 17 Jan 91

[Text] As for how the troops should implement the spirit of the seventh plenary session of the 13th party Central Committee, the 218 comrades attending the enlarged Sixth Plenary Session of the Sixth Chengdu Military Region party committee held: The troops should successfully play their role of defending frontiers, safeguarding social stability, spreading socialist spiritual civilization, supporting economic construction of local areas, and contributing to the attainment of all the grand goals put forth by the seventh plenary session.

The four-day enlarged session of the Sixth Chengdu Military Region party committee concluded the day before yesterday.

Chengdu Military Region party committee Standing Committee members, including Zhang Taiheng, Liao Xilong, Ma Bingchen, Zhang Defu, Hou Shujun, Shao Nong, and Wang Shilin, attended the session.

All the comrades attending conscientiously studied the Proposals of the CPC Central Committee on Formulation of the 10-year National Economic and Social Development Program and the Eighth Five-Year Plan, which had been discussed and adopted. They unanimously held: The seventh plenary session profoundly summed up the practical experiences gained by our party since the third plenary session of the 11th party Central Committee, scientifically analyzed both international and domestic situations, put forward new tasks for our country's socialist modernization building in next five to 10 years, and formulated both correct guiding principles and realistic, feasible, and specific measures, which embody the unified will of the whole party and represent the common wishes and fundamental interests of the people of the whole country.

Military region party committee secretary and Commander Zhang Taiheng delivered an important speech.

Zhang pointed out: In the final analysis, in implementing the spirit of the seventh plenary session, all the troops must further strengthen revolutionization, modernization, and standardization building and comprehensively improve combat effectiveness. To this end, it is necessary to greatly promote party building, ensure full implementation of the spirit of the seventh plenary session, adhere to the principle of industriously and diligently building the Army for a long time to come, successfully carry out work at the grass-roots level, greatly advocate the Laoshan Spirit and the Old Tibet Spirit, further step up ideological and ethical building, actively support economic construction of local areas, and make greater contributions to the development of southwest China.

#### **Jinan PLA Units Hold Army-Building Meeting**

SK2001064691 Jinan Shandong Provincial Service  
in Mandarin 1300 GMT 18 Jan 91

[Text] Zhang Wannian, commander of the Jilin Military Region, and Song Qingwei, political commissar of the military region, delivered speeches at the meeting of cadres from the organs under the military region on 18 January. They emphatically pointed out in their speeches that efforts should be made to constantly upgrade the cadres' ability to have the whole situation well in hand by making protracted and arduous efforts and to build the organs under the military region into leading units with a strong sense of politics, with proficiency in their profession, with perfect work style, with sensitivity in their reactions, and with high efficiency in commanding.

Over the past few years, the organs under the Jinan Military Region have turned out a large number of outstanding official cadres, thanks to earnestly implementing the major and important policy decisions made by the CPC Central Committee and the Central Military Commission; vigorously pushing forward the programs of revolutionizing, regularizing, and modernizing the People's Liberation Army [PLA] units; and organizing the PLA units across the military region to successively

carry out the activities of conducting on-the-job training, supporting the government and cherishing the people, joining in the Army-civilian campaign of building civilized units, and of learning from Lei Feng.

While fully acknowledging the achievements scored by the organs under the military region in their work or organizational construction, Commander Zhang Wannian pointed out in his speech that the organs under the military region should do a good job in carrying out investigation and study, concentrating on consolidating the essence of their affairs, and in paying attention to dealing with tendentious problems, to ensure that various tasks are conducted correctly.

In his speech, Song Qingwei, political commissar of the Jinan Military Region, stressed that we should implement the tasks of studying theories by regarding these tasks as strategic missions, and we should uphold the study in a sustained manner. Efforts should be made to stress the party spirit, consciousness, and correctness; to maintain a fine state of mind; to consciously safeguard unity; to continuously enhance the internal cohesion; and to regard the implementation of policies as a basic duty. Only by so doing can we do a good job in building up the organs under the military region and in successfully fulfilling various tasks.

Also attending the meeting were leading comrades from the military region, including Zhang Zhijian, Yan Zhuo, Qu Jining, Yang Guoping, Jiang Futang, and (Tao Baqing).

#### **Chengdu Military Region Holds Class in Tibet**

OW1701141591 Lhasa Tibet Television Network  
in Mandarin 1300 GMT 15 Jan 91

[Announcer-read video report by station correspondent Wang Jun; from the "Tibet News" program]

[Text] A training class on strengthening the construction of grass-roots party organizations, sponsored by a mobile lecture group from the Chengdu Military Region, opened at the Tibet Military District on the morning of 13 January.

The purpose of the training class is to implement the important instruction of the Central Military Commission headquarters on focusing this year's political work on intensifying party building, especially on improving grass-roots party branches. The training class is being held in accordance with the plan mapped out by the party committee of the Chengdu Military Region for intensifying grass-roots party construction in 1991.

At the inaugural ceremony of the training class, Major General Feng Quanli, who is the political commissar of the Tibet Military District, said: Political organs at the brigade and regiment levels are the frontline organizations for grass-roots party building, and organization departments at all levels are the primary departments in charge of the construction of grass-roots party branches.

They shoulder a heavy and yet glorious responsibility. Success of the training class is of great importance for promoting grass-roots party building in the whole military region, as well as the construction of Army units in all fields.

#### Air Force Conducts Battle Confrontation Exercises

HK2401053691 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1222 GMT 18 Jan 91

[“The Chinese Air Force Conducts Battle Confrontation Exercises”—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 18 Jan (ZHONGGUO XINWEN SHE)—According to a JIEFANGJUN BAO report today, the Chinese Air Force conducted battle confrontation exercises during midwinter.

These exercises focused on deployment adjustments, reconnaissance and counter-reconnaissance, air attacks and counter air attacks, counterattacks, and counter surprise attacks. Each of the two participating sides played its role, presenting a thick atmosphere of modern air war. In addition, theoretical training was also provided on air attacks and anti-air-raid battle.

On the significance of the recently-concluded exercises, a responsible person from the relevant Air Force department said: Exercises have shifted from the previous battle confrontation between arms of the same type to the present battle confrontation between different group armies and different types of arms. This suggests the improvement of the combat capabilities of the Air Force's air units.

The following information proves the correctness of the above remarks: The air units, ground-to-air missile units, antiaircraft units, radar units, telecommunications units, engineering units, and logistics supply units participating in the exercises arrived in the designated positions at the appointed time and made preparations for battle. The shooting accuracy and first-hit percentage of the air units were improved, and their average discovery distance [fa xian ju li 4099 3807 6415 4418] surpassed the standards set by the general program.

#### Air Force Improves Ground Mechanical Maintenance

OW2301141491 Beijing XINHUA Domestic Service  
in Chinese 0647 GMT 23 Jan 91

[By reporter Qi Hanxiao (7871 0698 4562) and correspondent Shangguan Xuemin (0006 1351 1331 2404)]

[Text] Beijing, 23 Jan (XINHUA)—By strengthening the supervision to ensure quality and safety, the Air Force established the best record for the maintenance of aeronautic engineering facilities and logistic support in 1990.

The air engineering units of the Air Force, which are responsible for aircraft repair and flight maintenance, have gained the reputation of being the “nanny for airplanes.” They guarantee flight safety and enhance the

combat capability of aviation units. According to a briefing, in the past year, air engineering and logistics units at various levels provided logistic support for more than 1 million take-offs, repaired several hundred airplanes, mobilized thousands of machines, and discovered and promptly fixed aircraft breakdowns on tens of thousands of occasions, thereby averting air disasters caused by mechanical trouble. The number of serious air incidents and their rate per 10,000 hours were the lowest in history.

Viewing improved aircraft maintenance quality, air engineering departments at all levels organized the ground crews to increase the basic flight safety drills and logistic support, and adopted measures to prevent errors in maintenance. Aircraft quality inspections were carried out under different weather conditions and in various seasons, and quality inspections were institutionalized. The air engineering departments also conducted studies of air stoppages and dozens of other major problems endangering flight safety. Consequently, accidents which might be caused by such problems were averted. Last year, the Air Force commended scores of battalions for their quality and safety maintenance and more than 1,000 outstanding maintenance personnel for their efforts in keeping thousands of airplanes in good conditions.

#### Economic & Agricultural

##### Commentary Views Economic Construction

OW2401122491 Beijing BAN YUE TAN in Chinese  
No 24, 25 Dec 90 pp 4, 5

[Semimonthly commentary by unidentified BAN YUE TAN staff commentator: “Devote Ourselves Wholeheartedly to Economic Construction”]

[Text] During recent inspections of Liaoning and Guangxi, General Secretary Jiang Zemin repeatedly stressed: The next decade will be crucial for China's economic and social development. We should grasp opportunities, concentrate efforts, and devote ourselves wholeheartedly to economic construction. This remark has profound significance. Concentrating efforts and devoting ourselves wholeheartedly should be the guiding principles in economic development.

China has achieved world acclaim in its economic development. We should also realize, however, that as we begin with a backward foundation, the national economy is still lagging far behind the developed countries and the demands of the people. Such a big gap shows that economic development remains the most formidable task confronting the country. Under no circumstance should we waver or hesitate on promoting economic construction.

We should persist in taking economic construction as the central task in correctly handling the relationship between the “central task” and the “two basic points.”

Since the beginning of last year, with the 4 June political storm in China caused by widespread bourgeois liberalization, escalation of the peaceful evolution strategy by the West, and drastic political changes in the East European countries, socialism has been facing serious challenges. Under such circumstances, we must uphold the four cardinal principles, take a clear-cut stand on opposing bourgeois liberalization, and fight sabotage and schemes by all hostile forces at home and abroad. This absolutely does not mean, however, that the central task of economic construction can be abandoned. It should be clear that the upholding of the four cardinal principles and the fight against bourgeois liberalization is not antagonistic to, but an integral part of, the central task of economic construction. On the one hand, the upholding of the four cardinal principles and the fight against bourgeois liberalization for the maintenance of political and social stability is precisely a prerequisite for economic construction. On the other hand, when the economy improves and the national strength increases, material and cultural life will be enhanced and difficulties and contradictions resolved, thus providing us the milieu for genuinely upholding the four cardinal principles and more effectively eliminating the influence of bourgeois liberalization. In peddling the conspiracy of peaceful evolution, the West is relying mainly on its temporary economic superiority. An important reason of why the ideological trend of raising doubts in socialism can still find a certain market in China is because our economic development remains at a low level. Therefore, a highly developed economy should be the most effective weapon in thwarting the peaceful evolution strategy and convincing those who have doubts about socialism. At a meeting with Gabonese President Bongo in February 1987, Comrade Deng Xiaoping said: "If we become well off by the end of this century, we will be able to sober them [referring to those having doubts about socialism]; if we become a socialist country at the same level as intermediately developed countries, we can further convince them and the majority of them will truly realize their mistake." At a meeting with the Czechoslovak premier in April of the same year, he once again emphasized: "In upholding socialism, we should primarily get rid of poverty and energetically expand productive forces to manifest the superiority of socialism over capitalism. The fundamental task of the socialist stage is to develop productive forces. To truly uphold the four cardinal principles, we must successfully carry out economic construction.

If we clearly understand the relationship of unity between making economic construction the central task and upholding the four cardinal principles, we will be able to attach proper importance to the building of a spiritual civilization as well as to ideological and political work. On the one hand, we should strive to overcome the mistake of using weak and tough tactics simultaneously; on the other hand, we should, in the course of

overcoming this mistake, pay attention to serving economic development. In other words, we should be able to change weak tactics into tough ones and tough tactics into weak ones.

It is easier to understand the relationship between making economic construction the central task and the two basic points of reform and opening to the outside world, but it is also necessary to handle their relationship correctly. Reform should go hand in hand with development; they should not be separated or, even worse, should not repel each other. The purpose of reform is to boost economic development. In checking whether a reform measure is practical and effective, we should find out whether the measure has substantially boosted the development of the productive forces.

Many things need to be done to boost economic development. Great efforts are needed to stabilize policies, start up the market, adjust structures, develop science and technology, and improve efficiency. Basically speaking, however, we should unite the masses, pluck up their courage, and enhance their enthusiasm to the greatest extent. Once there is enthusiasm, the party's principles and policies; the tasks of improving the economic environment, rectifying the economic order, and deepening the reform; and leaders' ideas and methods will become the conscious action of the masses. These will also bring about actual results. When the masses are enthusiastic and when a lot of people are using their brains, it will be possible to work out measures for tapping production potential, improving quality, raising efficiency and benefits, and solving problems. We always talk about taking advantage of the superiority of the socialist system and enhancing people's enthusiasm. Here, people's enthusiasm is most fundamental.

Although we are still faced with many economic difficulties, favorable factors are increasing following our gradual success in improving the economic environment, rectifying the economic order, and deepening reform. The general situation is improving. So long as we adhere to the party's basic line, pluck up our courage, and work wholeheartedly and in a down-to-earth manner to develop the economy, we will be able to realize the second-step strategic goal in the coming decade, thus creating a condition for the realization of the third-step strategic goal in the next century.

#### 1990 National Economic Statistics Cited

HK2301070191 Beijing RENMIN RIBAO in Chinese  
16 Jan 91 p 2

[*"State Statistical Bureau Statistics Communiqué No. 1: Results of Economic Improvement and Rectification Are Notable. Tasks of Readjustment and Reform Are Arduous: Review and Prospects of the National Economic Situation"*]

[Text] In 1990, all localities and departments scored remarkable achievements in further implementing the principle of economic improvement and rectification

and deepening reform, vigorously carrying out the series of policies and measures issued by the State Council to persistently control the total supply and demand and readjust the retrenchment intensity. The general situation will continue to develop favorably. However, problems such as an imbalanced structure, poor economic performance, and financial difficulties still remain conspicuous and potential inflation pressure is increasing. In the new year, while persisting in and improving control of total supply and demand and maintaining a moderate economic growth rate, efforts should be taken to further deepen reform, vigorously expedite restructuring, raise economic efficiency, and create conditions enabling the national economy to follow a steady upward course.

#### I. Lower-level Contradictions Have Been Alleviated and Economic Pick Up Accelerated

Economic improvement and rectification entered its second phase in 1990. Notable results were achieved during the first phase in reducing social demand and stemming the inflation rate. However, during the course of retrenchment, these were accompanied by some new problems, such as sluggish sales, a sharp drop in the industrial production growth rate, and an increase in the number of enterprises running at half capacity or brought to a standstill. In view of this situation, the State Council made a timely readjustment to the intensity of macroretrenchment, thus alleviating some contradictions prevalent in economic life and causing the national economy to pick up. Gratifying results were again achieved in economic improvement and rectification.

##### 1. A basic balance is maintained between the total social supply and demand.

According to preliminary estimates, the deferential rate between domestic supply and demand in 1990 is expected to be 4.2 percent. After allowing for a relatively quick growth rate in overseas demand, the domestic supply and demand was basically balanced with a deferential rate of 3.1 percent. The moderate increase in demand shows that the measures adopted by the State Council to readjust the retrenchment intensity have gradually taken effect.

##### 2. The national economy keeps growing and remarkable improvement has been seen in social supply.

According to preliminary estimates, 1990's GNP is expected to reach 1,740 billion yuan, up 4.4 percent on the previous year, calculated in terms of comparable prices. National income is estimated at 1,4300 billion yuan, an increase of 3.8 percent, calculated in terms of comparable prices.

An overall increase has been registered in agricultural production. Preliminarily estimates indicate that the total agricultural output value in 1990 will exceed 690 billion yuan, an increase of over five percent calculated in terms of comparable prices, and exceeding the planned growth rate of four percent. Freeing itself from the stagnant situation of the preceding few years, grain

production reported a bumper harvest. Annual total grain output is expected to exceed 425 million tons, an increase of over 17.4 million tons, with total and per unit area yields reaching record highs. Increases of varying degrees in the production of major cash crops are also expected. Total cotton output is expected to reach 4.31 million tons, up 259 million tons and total sugar crops output, 68.55 million tons, will show an increase of 10.51 million tons. Silkworm cocoon and fruits also reaped bumper harvests. Meanwhile, a sustained and steady development was also maintained in the animal husbandry and aquatic breeding industries. The annual output of pork, beef, and mutton is expected to reach 238.3 million tons, up 570,000 tons, and the output of aquatic products will be over 12 million tons, an increase of about 500,000 tons. The overall increase in agricultural production has provided important material conditions for promoting industry, causing the market to flourish, stabilizing prices, and raising the living standards of both urban and rural people.

Industrial production began to resume its upward trend while a readjustment of product mix was started. Compared with the same period in the previous year, with a quarterly upward trend, the growth rate of industrial production in 1990 was basically balanced during the first quarter; an increase of 4.1 percent was shown in the second quarter; a rise of five percent in the third quarter; and a further increase of 14.2 percent in the last quarter. The annual total output value of industries at and above the township level is expected to reach 1,948.6 billion yuan, up six percent over the previous year calculated in terms of comparable prices. For example, the growth rate for industries at and below village level is expected to stand at about seven percent, exceeding the planned goal of six percent. Certain progress has been made by the light and textile enterprises in their efforts to develop new products and new varieties in order to suit the changing needs of the market. A sustained growth was seen in marketable products, providing consumers with more choices. A steady growth was also registered in the production of major raw and semi-finished materials as well as energy products including steel, rolled steel, soda, ethylene, chemical fiber, electricity, and raw coal.

##### 3. Social demand is gradually picking up, invigorating economic development to a certain extent.

Demand for investment resumed its upward trend while the construction of key projects were speeded up. In order to suit the needs of activating the market and bringing about a surge in production, the State Council decided to increase the demand for investment appropriately in 1990. Society's annual investment in fixed assets is estimated at about 450 billion yuan, a rise of 4.2 percent over the preceding year after allowing for incomparable factors in commodity housing statistics. Of this total, investment by units under ownership by the whole people is expected to be 292 billion yuan, up 7.6 percent. With the support of the state's preferential policy, departments such as energy, transportation, and postal and telecommunications were strengthened. Of the total

investment made by units under ownership by the whole people, that made by the energy industry is expected to reach 76.2 billion yuan, an increase of 21.6 percent, with its proportion rising from 24.4 to 28 percent. Investment by the transportation and postal and telecommunications industries is expected to be 43 billion yuan, a rise of 9.2 percent, with its proportion rising from 15.3 to 15.8 percent. The proportion of investment made by general processing industries is expected to drop from 18.1 to 15 percent. Investment of 42 billion yuan was made by the 200 key projects arranged and constructed by the state according to rational construction time limits, overfulfilling the annual investment plan.

The income of urban and rural residents increased. The annual total payroll of workers and staff members is estimated to reach 296 billion yuan, up 13 percent on the previous year. The actual increase is estimated at 11.7 percent after allowing for price rises. The per capita income of urban residents is estimated at 1,360 yuan, up by 7.9 percent, representing an increase of 6.6 percent in real terms after allowing for price raises. The per capita net income of peasants, about 630 yuan, is up by five percent, representing about a one percent increase in real terms. However, affected by some factors, such as the unitary structure of rural industries and a drop in the prices of agricultural products, peasants' income dropped in some localities. The year-end balance of savings deposits by urban and rural residents is expected to reach 703.4 billion yuan, an increase of 188.7 billion yuan over the beginning of the year.

The domestic market gradually turned from a sluggish total demand to a structural sluggishness.

Owing to insufficient spot consumption demand, the total volume of retail sales in domestic market showed a downward trend throughout the period from August 1989 to May 1990. With the adoption of various measures to stimulate the market, this situation has been gradually changed. This change is marked by the following: First, starting last June, the downward trend in the total volume of social retail sales began to turn for the better. Second, since the fourth quarter, the urban market has tended to function normally while the rural one has begun to be activated. The total volume of urban and rural retail sales during the same quarter is expected to increase by 9.4 percent over the preceding year. Third, the number of unmarketable commodities has gradually been reduced, as shown by a fairly large pick up in the sales of home electric appliances. Fourth, since last October, the sales volume in an overwhelming majority of localities throughout the country has shown an upward trend. The annual total volume of social retail sales is expected to reach 825.5 billion yuan, a 1.9 percent rise over the previous year. Fifth, the market for the means of production also began to ease its downward trend last September. Compared with the previous year, the sales volume for the means of production material departments and affiliated organizations rose by 6.3 percent last September, 14.4 percent last October, and by

19.3 percent last November, while the total volume is expected to equal that of the previous year.

#### **4. New headway has been made in opening to the outside world, and remarkable improvements made in international payments.**

Foreign trade was favorable. According to Customs Department statistics, last year's total import and export volume reached \$115.4 billion, up 3.4 percent. Of this, exports totaled \$62.07 billion, an 18.1 percent increase, while imports totaled \$53.36 billion, a drop of 9.8 percent. After deducting imported and exported goods not paid for in foreign exchange, the import and export balance turned from a deficit of \$2.8 billion in the previous year to a surplus of \$13.1 billion. This changed the situation of sustained deficits of the past several years. The structure of imported and exported commodities showed some improvement. The proportion of imported middle- and high-grade durable consumer goods dropped by a big margin while that of exported industrial manufactured goods is evidently higher than that in previous years.

More foreign investment was used. The number of new projects using foreign investment receiving approval between last January and November reached 6,318, an increase of 18.6 percent over the same period last year. The agreed amount of foreign investment, \$10.57 billion, was up by 5.5 percent and the actual amount used, \$8.81 billion, up by 6.8 percent.

International tourism also gradually recovered. With the country's political and social stability, especially the successful hosting of the XIth Asian Games, international tourism gradually climbed out of a slump. The total number of tourists coming to China during the whole year is expected to reach 29 million, 18.4 percent more than in the preceding year. Foreign exchange earnings from tourism are estimated at \$2.1 billion, a 13 percent increase.

Thanks to the favorable balance in import and export, and larger non-commercial foreign exchange earnings than expenses, the country's foreign exchange reserve will continue to expand.

#### **5. Social order is stable and the economic environment will continue to show improvement.**

Price hikes were evidently reduced following big raises during the preceding two consecutive years. Thanks to a bumper agricultural harvest, a relatively stable market, and the improved relations between supply and demand, retail price raises in the preceding three quarters tended to reduce, quarter by quarter, compared with last year. Prices rose by 3.3 percent in the first quarter, 2.2 percent in the second, and 0.6 percent in the third. The annual average price raise was only around two percent, a lower rate than that during the previous two years. Since the last quarter, however, because all localities concentrated their efforts on readjusting the prices of some commodities and services which had a bearing on the basic

livelihood of residents, and because the price index of basic living expenses tended to expand, prices during the past one or two months, especially that in some large and medium cities, rose at nearly 10 percent or more.

Thanks to the attention of governments at all levels and a pickup in the economy, the situation whereby factories were shut down and workers had to wait for work, which had once appeared, has been eased to a great extent.

All this serves to show that the series of measures adopted by the State Council, to readjust the retrenchment intensity under the prerequisite of controlling total supply and demand, has brought about a favorable turn in the economic situation and political and social stability.

## **II. Deep Contradictions Have Surfaced and We Still Face Great Difficulties**

While fully reaffirming the new achievements scored in economic improvement and rectification in 1990, we should also soberly take notice that development in various localities, departments, and enterprises of various economic types is not balanced and that the foundation for an economic upturn still remains fairly fragile. In particular, many deep economic problems have piled up over the years, such that an imbalanced structure and irrational system have not yet been resolved. The economic situation has its dark side, marked by huge stockpiles of finished products, declining economic efficiency, aggravated financial difficulties, and a potential new bout of inflation.

### **1. Serious stockpiles of finished products.**

By the end of last November, stocks of manufactured goods by industrial enterprises at and above the county level had increased by 45.1 billion yuan and the contradiction of uneven agricultural product circulation also became increasingly conspicuous. Difficulties in purchasing and selling agricultural and sideline products can be found almost everywhere. The main reasons causing an imbalance between production and sales are as follows: First, certain measures used to stimulate demand came out rather late and there was a lag period before these measures could show effect. As a result, market stimulation fell behind production pick up; second, the blocked circulation channels were caused by carving up markets and erecting barriers between different localities; third, industrial restructuring is still making fairly slow progress; and fourth, the anticipated consumption mentality of residents is relatively stable.

**2. Economic efficiency is on the decline.** Although production began to recover step by step in 1990, the economic efficiency of enterprises remained poor. In the period between last January and November, the actual budgetary profit and tax in state-owned industrial enterprises dropped by 18.8 percent over the same previous year; the total amount of losses incurred doubled; costs of comparable products rose by 6.5 percent; and the circulation days of quota circulating fund increased from

the previous 108 to 130 days, with extra funds totaling over 50 billion yuan. Many things accounted for the drop in industrial economic efficiency. In addition to increased transportation costs, prices of raw and semi-finished materials, wages and salaries of workers and staff members, and other reasons, the following special factors emerged last year to exert a fairly large influence on sluggish product sales: First, the overstocking of products made it impossible to gain profits from sales. Second, the abnormal phenomenon whereby profit could be made by raising prices during the economic overheating in previous years, has basically "disappeared." Third, some enterprises could not give full play to their production capability as a result of insufficient work. In particular, the growth rate of industries under ownership of the whole people was on the low side and, as a result, these industries failed to bring into play their "speed efficiency." Fundamentally speaking, however, the low efficiency was caused by defects in the existing economic system; lack of an incentive structure in enterprises to raise their economic efficiency; slow progress in technological development; slow conversion of structures; and failure to close down enterprises which should have been closed down. All these made it difficult to optimize formulation of the main factors of production and hindered the raising of resource allocation efficiency. Besides, the low efficiency also had something to do with the tendency to stress speed to the neglect of efficiency. While efficiency in industrial enterprises is declining, the economic efficiency of commercial enterprises also fell sharply as a result of sluggish sales and the heavy interest burden.

**3. Financial difficulties are aggravated.** The financial situation for the year was extremely grave because the growth of regular income was slower, while that of financial expenses was faster than budgetary requirements.

**4. The potential pressure of inflation is increasing.** Banks rapidly expanded the scope of loans in the preceding stage to stimulate the economy. By the end of last November, the total amount of various bank loans had increased by 212.5 billion yuan, up 17.1 percent over the beginning of the year. The increase in intermediate demand in loan structures was a little too big, while that of ultimate demand, a little too small. Funds stagnated and usage efficiency was poor. Since last June, the large increase in loans during the previous stage has shown a lagging effect on money supply and banks have thus tended to expedite money supply. This trend of issuing money in excess of economic demand is unfavorable to stabilizing the economy and will inevitably aggravate the rebound of inflation.

The aforementioned contradictions and difficulties are interrelated and interacted on each other. On the surface, these contradictions are accompanying phenomena emerging together with an irrational structure of social demand, a slow pick up in ultimate demand, and failure to provide a fundamental solution to the contradiction of an uneven reproduction cycle. In essence, however,

they are a reflection of some deep contradictions, such as irrational economic relations, and the unreasonable economic structure and system. This shows that during the second phase of economic improvement and rectification, efforts should not only be made to control the total volume of supply and demand, appropriately readjust the structure of demand, and maintain a moderate growth in the national economy, but also to increase the content of reform; rationalize economic relations; vigorously optimize the structure of the economy and raise economic efficiency; and bring about a healthy growth through economic improvement and rectification.

### III. Economic Development Trends for 1991

Since the last quarter of 1990, with a surge in social demand, all links, including production, construction, circulation, and consumption, have shown a fairly strong development momentum. Judging from the current economic development trends, a further favorable turn is expected in the national economic situation in 1991. However, some aspects are still worthy of note, which are mainly marked by the existing potential risk of an inflationary rebound. The economic operational trends are as follows:

**Sales will be relatively brisk.** After investment demands have gradually been met, residents' income increased, and, especially with a favorable turn in rural markets and an expansion in institutional consumption, the whole retailing market will show a momentum of further recovery. It is expected that the total volume of retail sales will increase by about 10 percent in the first quarter of 1991.

**In agricultural production, the production of cash crops will continue to rise, while every effort should be made to prevent a drop in grain production.** The production of cotton and oil-bearing crops may increase because peasants have drawn benefit from price readjustment and a bumper harvest. This may serve as a strong stimulus to their enthusiasm in the production of cotton and oil-bearing crops. On the other hand, it is estimated that this year's climatic conditions will not be as good as those of last year and, as a result, there may be adverse influences on the normal production of agricultural crops.

**Industrial production will be further expedited.** This is based on the following: First, the relatively relaxed relations between the agricultural harvest and the supply of energy and raw and semi-finished materials will provide favorable conditions for promoting industrial production; second is the lag effect from expanded social demand in 1990; and third, the desire of all localities to increase financial revenue. In addition, the base figure at the beginning of the previous year was low, therefore the growth rate of the total industrial output value during the first quarter of 1991 is expected to exceed 10 percent.

**Investment demand will keep picking up.** According to the state plan and arrangements, the investment scope

in 1991 will be expanded by over 10 percent; the state will make more budgetary investment; industries such as energy, coal, and railways will expand special construction funds; banks will increase loans on fixed assets; and the state will issue more construction bonds. In addition, relaxation in control over the utilization of foreign investment will provide capital conditions for expanding investment.

### IV. Several Suggestions on Our Future Economic Work

The first year of the Eighth Five-Year Plan, 1991, also crucial to the second phase of our economic improvement and rectification. We are faced with extremely arduous tasks of reform, readjustment, and development. We should not only take note of alleviating some lower-level contradictions and improving the situation, but also realize that some contradiction-alleviating bases are still fragile, deep contradictions such as the irrational economic system and operational structure are still awaiting a solution, and the situation also has its dark side. Therefore, macroeconomic control and regulation should not be confined only to the intensity of control over the total volume of society's demand. It is also necessary to strengthen our sense of urgency in accelerating reform and readjustment; make full use of the current favorable opportunity wherein society has been further stabilized and some lower-level contradictions in our economic life have been alleviated; and add more content to reform in light of the needs of readjusting structures and raising efficiency to achieve real progress in easing deep contradictions, obtaining fresh results in economic improvement and rectification, and creating conditions for attaining sustained, steady, and well-coordinated development in the national economy.

#### 1. Assessing time and situation, steadfastly controlling the total volume of society's demand, and making timely readjustments to operational strength.

At present, in controlling total supply and demand, efforts should also be taken to avoid a certain tendency whereby, as a result of our failure to see that the volume of bank loans has increased rapidly; that the money supply has far exceeded what is normally required for economic growth; and that the inefficient use of money has produced stagnation, we continue to ease money supply, leading to another swelling of society's demand and thus affecting economic and social stability. In light of this, it is necessary to make special efforts to step up the monitoring and forecasting of the trends in financial and monetary demand and impose prudent control over the overall situation to prevent abnormal rising and falling of the economy triggered by monetary and financial factors.

**In financial policy, strong reform measures should be adopted to bring about increases in production and revenue and, on the other hand, to seek a way out of our financial difficulties, beginning with control of deficit and price subsidies as a breakthrough point.**

—In monetary policy, earnest efforts should be made to control the total volume of credit and readjust loan structures. Under the prerequisite of raising the usage efficiency of funds, it is suggested that the proportion of banks' floating capital and loans in the total number of new loans be reduced appropriately and the deducted loans be used mainly for investment in fixed assets. In readjusting the fixed assets loan structure, stress should be placed on supporting the renovation and transformation of enterprises; bringing about a steady growth in effective investment; and ensuring a raise in the proportion of investment used for renovation and transformation in the total investment. In extending loans of various types, resolute efforts should be made to follow the policy of selecting the best recipients to ensure the survival of the fittest enterprises. At the same time, continued efforts should be expended to make full use of domestic funds by absorbing residents' savings deposit.

## 2. Making overall plans and promoting the pace of restructuring in a vigorous and steady way.

—In order to meet market needs, it is necessary to give equal consideration to the needs of different consumption levels in both the urban and rural markets as well as the domestic and international markets, keep abreast of the new situation whereby life is becoming more colorful while more new technologies are being adopted in production, and continue expediting the pace of readjustment of the industrial product mix. To this end, steps should be taken to strengthen market information work, especially investigations into the needs in the rural market; work out plans for restructuring the product mix; provide production enterprises with timely feedback; and bring into line operational processes of readjustment in different localities to avoid unplanned readjustment. More efforts should be made to conduct a checkup of warehouses and make better use of stored goods, adopt a flexible price policy, and promptly alleviate the contradiction of overstocking products.

—Industrial restructuring should be carried out at the same time as making use of local economic advantages. In light of the country's industrial policy and the principle of economic scale efficiency, different industrial restructuring programs in different regions of the country should be formulated to make full use of each region's natural, financial, technological, personnel, geographical, and other rich resources. More advanced coastal areas should provide more assistance and support to inland areas, especially the economically backward areas.

—Vigorous efforts should be made to raise enterprise readjustment funds in order to create more room for optimizing the enterprise organizational structure. Enterprise restructuring is an important link in raising economic efficiency. On the basis of a social security system, it is necessary to use market mechanisms, which ensure the survival of the fittest, to vigorously

organize enterprise groups. Determination should be made to "close down, suspend, merge, or change the production line" in enterprises which produce goods in excess of demand, stockpile unmarketable goods for long periods, and suffer from high consumption and heavy losses, to bring about a rational flow of production elements.

—Attention should be paid to both enterprise management and technological transformation simultaneously and the various measures adopted for the "Year of Quality, Variety, and Efficiency" should be implemented in a down-to-earth manner to raise the quality and efficiency of our enterprises. In particular, policies for goods and materials, funds, and prices should be formulated to promote the technological transformation of enterprises, thus gradually giving shape to a new environment in which efficiency is attained by making use of science and technology.

## 3. Making prudent policy decisions and losing no time in implementing various comprehensive reform measures, including macrocontrol and microflexibility, to improve the structure and operational mechanisms of our economy.

—Further efforts should be devoted to establishing and perfecting macroregulation and control. To this end planning, banking, and financial departments should first coordinate their work in such a way as to provide a favorable external environment for the orderly operation of our economy, to improve enterprises' economic returns, and to enhance the effects of regulation and control. Second, two changes should be gradually geared up in regulation and control methods: One is to shift the emphasis from direct to indirect regulation and control, and the other, to change principal regulation and control methods from administrative to economic measures. These changes are aimed at making regulation and control, as fully as possible, less adaptive but more effective and flexible. Third, the four links in regulation and control procedures, namely consultations, policy-making implementation, supervision, and monitoring, should dovetail well. In addition, it is necessary to strengthen inspection and supervision to make the work of regulation and control more scientific and to increase its seriousness and sensitivity.

—Efforts should be made to deepen and perfect microregulation. The key task is to invigorate big and medium state-owned enterprises. For this purpose, the invigoration of state-owned enterprises should start with the formulation of policies to provide these enterprises with a relaxed environment. Positive efforts should be made to separate government administration from enterprise management; rationalize ownership relations; deepen reform in labor and distribution systems; and ensure the decisionmaking power of state-owned enterprises regarding production and management to enable state-owned enterprises to enhance their competitiveness in an equal market environment. Meanwhile, enterprises should be

encouraged to pay attention to their internal situation in order to enhance their consciousness of improving the management and raising the quality of enterprises.

—Price reform should be accelerated. In price reform, on the basis of controlling the general price level, emphasis should be made to resolve the "double tracks" problem. Meanwhile, it is necessary to seize the opportunity of an agricultural harvest to promote reform of the grain purchasing and marketing system.

#### **4. Effective measures should be adopted to further stabilize agricultural production.**

It is imperative to properly guide the people so that they will have a correct understanding of the agricultural situation. Although we achieved a bumper harvest in 1990, the scissor differential between the prices of industrial and agricultural products is still expanding and the problem of insufficient capacity for sustained agricultural development remains unsolved. This, coupled with the serious question of slow circulation of agricultural products, has resulted in the fact that problems limiting the stable development of agriculture are still far from being resolved. For this reason, we must unremittingly grasp as a long-term strategic task, continuing to beef up efforts in agriculture; earnestly carry out the spirit of documents issued by the party Central Committee and the State Council on strengthening agricultural production; and gradually establish an economic operational mechanism conducive to the stable development of agriculture for a long time to come.

**New National Economic Accounting System Adopted**  
*OW2401091291 Beijing XINHUA in English*  
*0905 GMT 24 Jan 91*

[Text] Beijing, January 24 (XINHUA)—A new national economic accounting system with the major emphasis on the planned commodity economy has been put into force in China beginning this year, according to the State Statistics Bureau here today.

Zheng Jiaheng, deputy director of the bureau, called on 60,000 data collectors all over the country to make extra efforts to improve their work and provide better consultancy services for the state's decision-making.

The new national economic accounting system has absorbed many international practices.

A bureau official disclosed that the new system will be carried out nationwide with emphases on the tabulating of GNP, input and output, aggregate demand and supply, international payments and circulation of capital.

The new system will be carried out in two stages: In the first stage the national and provincial frameworks of the economic accounting system will be set up by 1992, and in the second stage the system will be perfected by 1995.

Zheng said that his bureau will concentrate its efforts on improving the quality of statistical data, and enhancing

quantitative analyses and statistical analyses with stresses on GNP, investment in fixed assets, industrial and agricultural output, total wages, and birth and mortality rates.

To this end, he said, the bureau will intensify the development and application of computer software, accelerate construction of data banks and further improve urban and rural statistical information networks.

Reviewing progress in the past year, he said, China's statistical work experienced big changes in the wake of the economic reform and economic development, and played a bigger role in decision-making and state macroeconomic control.

He added that the bureau had submitted valuable data and suggestions for the formulating of the state's 10-year development program and the Eighth Five-Year Plan (1991-1995).

**Economist Interviewed on Economic Development**  
*HK2401055991 Beijing ZHONGGUO XINWEN SHE*  
*in Chinese 0436 GMT 19 Jan 91*

[“Liu Guoguang Looks Forward To China’s Economy in the 1990’s”—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 19 Jan (ZHONGGUO XINWEN SHE)—On China's economic development and reform for the 1990's, Liu Guoguang, famous economist and vice president of the Chinese Academy of Social Sciences, said that China faces three major tasks in the 1990's: Improvement and rectification, deepening reform, and economic development.

He pointed out: China's economy is moving out of the valley's bottom and but is still creeping up the slope with difficulty. Many factors have caused the present economic difficulties, so we should not be overanxious for quick results in removing these difficulties. Therefore, in the stage of improvement and rectification, rectification, reform, and development should proceed in close combination and coordination with each other, and there is a need to increase the content of reform so that reform will become a prominent task in economic work during the middle and later periods of the Eighth Five-Year Plan.

Liu Guoguang made these remarks during an interview with a ZHENDI [FRONT] reporter. ZHENDI, sponsored by the Beijing Social and Economic Development Research Institute, is a comprehensive theoretical magazine. It was formally published two days ago.

While talking about a shift in China's economic development strategy, this economist said: First, economic development should remain at a moderate rate and no excessive development rates should be introduced; second, smoothing out the industrial structure should be taken as the central task for the coming decade; third,

regional economic arrangements can be made according to the national framework, a big economic regional framework, and a framework at the provincial, autonomous regional, or municipal level, with appropriate stress and coordinated development; and fourth, on the question of accumulation and consumption, efforts should be made to rationally adjust the accumulation structure, to improve the results of the accumulation fund, and to reduce the accumulation rate of national income so that it will be lower than the average rate during the Seventh Five-Year Plan.

#### Posts, Telecommunications Achievements Reviewed

OW2201192391 Beijing XINHUA Domestic Service  
in Chinese 0457 GMT 22 Jan 91

[By reporter Yang Like (2799 3810 4430)]

[Text] Beijing, 22 Jan (XINHUA)—The Seventh Five-Year Plan saw the fastest growing period in the development of China's postal and telecommunications undertakings, said Yang Taifang, minister of posts and telecommunications, at a national meeting of directors of posts and telecommunications departments today. He pointed out that the successful implementation of the plan is a result of assiduous work and unity among the million postal and telecommunications workers.

The minister said: A gratifying situation of comprehensive development in China's postal and telecommunications undertakings has emerged since the introduction of reform and opening up, especially during the Seventh Five-Year Plan. The first-stage strategic objective of tripling [fan san fan 5064 0005 3972] production has been fulfilled ahead of schedule. The country's major communications capacity and operational volume increased more than 20 percent while revenues grew more than 30 percent annually. An excellent situation of sustained and steady growth has taken shape. During the Seventh Five-Year Plan period, investment in postal and telecommunications fixed assets totalled 20 billion yuan, equivalent to 345 percent of investments during the Sixth Five-Year Plan and exceeding total investments made in the previous 36 years. During the five year period, a large number of key postal and telecommunications projects were carried out. Long-distance telephone circuits increased by 70,000, an increase of 180 percent over the end of the Sixth Five-Year Plan; the number of terminals on automatic long distance telephone switchboards rose by 154,000, a 13.4-fold increase; and the number of telephones across the country totaled 12.6 million, which is about 1.1 percent of the population and double of the number of telephones at the end of the Sixth Five-Year Plan. Automatic telephone networks have reached all Chinese provinces, autonomous regions, and municipalities. Direct long distance dial from Lhasa, the capital of Tibet, to other places inside and outside the country heralds a new stage for China's communications networks. At present, 96 percent of the city telephone networks have been automated, direct domestic calls can be placed from 767

cities and counties, and from 296 cities and counties, direct international calls can be made to some 180 countries and regions in the world. There are 5.38 million subscribers to city telephones, and the radio calling system, which did not exist at the beginning of the Seventh Five-Year Plan, is now serving 436,000 subscribers in some 160 cities. Express mail is available in 1,960 cities; special express mail can be sent to some 170 countries and regions.

Yang Taifang said: It is gratifying that the development speed of postal and telecommunications undertakings began to overtake national economic growth during the Seventh Five-Year Plan. However, judging from the overall situation, the growth of postal and telecommunications capacity and operations has still lagged conspicuously behind increases in industrial production values. Posts and telecommunications remain weak links in the national economy. Therefore, workers on the postal and telecommunications front throughout the country should redouble their efforts to accelerate the development of postal and telecommunications undertakings.

#### Chinese Economists on Major Economic Tasks

OW2401095591 Beijing XINHUA in English  
0937 GMT 24 Jan 91

[Text] Beijing, January 24 (XINHUA)—China faces three major tasks during the 1990s—economic rectification, reform and development—and has to properly handle the relationships between them.

A group of Chinese economists made this assessment at a recent seminar concerning the prospects for the Chinese economy.

During the first two years of the state's Eighth Five-Year Plan period, beginning 1991, efforts should be devoted to continuing economic rectification, and to consolidating the achievements made in controlling inflation, said Li Guoguang, a prominent economist and vice-president of the Chinese Academy of Social Sciences.

Reform during this period will focus on adjusting the country's economic structure. When this is completed, Liu said, efforts will then be devoted to further reforms and development.

Liu said that reform and development should be complementary, with reform serving development.

In the near future, he stressed, construction projects and further development should be carried out in such a way as to facilitate the smooth implementation of reform and development. To this end, a proper growth rate should be defined to avoid putting undue pressures on and creating disorder in the economy, thereby creating conditions for favorable economic reform.

Zhang Zhuoyuan, another prominent economist and director of the academy's Institute of Finance and Trade, contended that two years' of economic rectification have basically brought the macro economy into balance and

stability, and have created a moderately relaxed environment for furthering the reform.

Zhang said that further efforts should be made to seize the opportunity to push forward market-oriented reforms, especially in the most difficult and demanding areas of price and enterprise reform.

Zhang said that the past reforms have delegated too much power to local administrations and too little to enterprises and the market, and that reforms in the field of macro regulation have lagged behind.

However, he stressed, market-oriented reform should be carried out in close association with a system of planned state guidance and macro economic regulation, because the role of the market mechanism is limited.

Professor Dai Yuanchen, from the Economic Institute of the academy, said that China's reform of its economic system will hinge on shifting from an overall planned economy to market operation to some extent.

According to the professor, markets are effective in the aspects of balancing supply and demand of commodities, tapping the potential of the entrepreneurs and invigorating laborers. But the market can not maintain the stability of the macro economy.

Even if the market mechanism were flexible and perfect in operation, he said, there would still exist some larger areas which cannot be adjusted by the market, because these areas are beyond the knowledge and policy-making ability of the micro-economy.

The key to the combination of planned and market economy is the coordination of "whole and partial interests", Professor Dai said.

Practice over many years has proved that this coordination is easy when the economy develops steadily and the state is in good financial condition, he said. But when inflation and depression occur and the state faces financial problems, conflicts of interest increase and coordination is difficult.

The low level of development of the market economy, and imbalanced and excessive competition will bring about chaos in the market. Therefore, it is necessary both to study ways to combine the planned and market economies and to create conditions for such combination.

#### Seminar on Economic Development Strategy Opens

SK2301151891 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 21 Jan 91

[Text] The seminar on the strategy for the development of export-oriented economy in the central cities of northeast China opened this afternoon at the Harbin City Youyi Palace. Attending the seminar were Wang Guangying, vice chairman of the National Committee of the Chinese People's Political Consultative Conference; Sun Shangqing, vice chairman of the Economic, Technological, and Social Development Research Center under the State Council; and Shao Qihui, Zhou Wenhua, Li Genshen, Du Xianzhong, Zhang Delin, and Li Jiating, party and government leading comrades of Heilongjiang Province and Harbin City. Also attending the seminar were pertinent specialists and scholars of the State Planning Commission, the Economic, Technological, and Social Development Research Center under the State Council, the State Commission for Restructuring Economy, the Ministry of Foreign Economic Relations and Trade, and the Chinese Academy of Social Sciences. Also attending were more than 70 representatives from the 15 central cities, including Changchun, Shenyang, Dalian, and Hohhot, in the three provinces of northeast China and in the Inner Mongolia Autonomous Region.

This seminar was cosponsored by the Harbin City People's Government; the Economic, Technological, and Social Development Research Center under the State Council; and the agency of the magazine "Management Business." This seminar will primarily discuss the questions of how to successfully open the inland and border cities to the outside world, how to strengthen, consolidate, and develop the open cities and the open areas, how to further expand the Soviet markets, and how to strengthen and expand the existing industrial foundation in the course of opening to the outside world. This seminar will last three days.

## East Region

### Anhui Provincial Standing Committee Meets 23 Jan

OW2401225191 Hefei Anhui Provincial Service  
in Mandarin 1100 GMT 24 Jan 91

[Text] The Seventh Anhui Provincial People's Congress Standing Committee began its 21st session on the morning of 23 January. Chairman Wang Guangyu presided over and addressed the meeting. An important item on its agenda is to study the guidelines of the Seventh Plenum of the 13th CPC Central Committee and the Third Plenum of the Fifth Anhui Provincial CPC Committee.

Chairman Wang Guangyu pointed out: The Seventh Plenum of the 13th CPC Central Committee was an important meeting in the history of our party. The "Proposals of the CPC Central Committee for the Drawing-Up of the 10-year Program and the Eighth Five-Year Plan for National Economic and Social Development" adopted by the plenum has affirmed our great achievements made in last decade, summed up our construction experience of last 10 years, and embodied the spirit of building socialism with Chinese characteristics. It is a programmatic document guiding us to attain the second-step objectives. Recently, the Fifth Anhui Provincial CPC Committee held its third plenum, adopted a resolution on implementing the guidelines of the Seventh Plenum of the 13th CPC Central Committee, and made specific arrangements in light of Anhui's reality. The tasks of the provincial people's congress standing committee for a period henceforth are to seriously implement the guidelines of the Seventh Plenum of the 13th CPC Central Committee and the resolution of the provincial party committee, to further uphold and improve the system of the people's congress, to strengthen the socialist democracy and legal system, and to strive to keep political, economic and social stability and promote a steady and coordinated economic development.

The meeting adopted a decision on convening the Fourth Session of the Seventh Anhui Provincial People's Congress on 5 March 1991. After a plenum, the standing committee members were broken down into small groups to study the documents of the Seventh Plenum of the 13th CPC Central Committee and the Third Plenum of the Fifth Anhui Provincial CPC Committee.

Zheng Rui, Ying Yiquan, Kang Zhijie, Chen Tingyuan, Chen Tianren and Du Hongben, vice chairmen of the provincial people's congress Standing Committee, attended the meeting. Present at the meeting as non-voting delegates were Wang Sheyun, vice governor of the provincial people's government, and Feng Jianhua, chief procurator of the provincial people's procuratorate.

### Jiangsu Attracts Increased Foreign Investments

OW2301133491 Beijing XINHUA in English  
1255 GMT 23 Jan 91

[Text] Nanjing, January 23 (XINHUA)—East China's Jiangsu Province has signed 1,800 contracts for projects involving foreign investments over two billion U.S. dollars since 1986.

The province has thus far initiated projects involving foreign investments of over 1.4 billion U.S. dollars, a figure 6.5 times greater than during the Sixth Five-Year Plan period (1980-1985).

Statistics show that the province now has 1,050 foreign-funded enterprises with foreign investments of over 960 million U.S. dollars.

The province signed an additional 360 contracts involving loans in excess of 890 billion U.S. dollars during the Seventh Five-Year Plan period (1986-1990).

Jiangsu used investments of 576 million yuan, including a 69 million U.S. dollars loan from the World Bank, to strengthen the development of local construction projects in such areas as agriculture, transportation, energy, raw materials and infrastructural facilities.

An official from the provincial government said that, as a result of the foreign-funded projects, the province was able to adjust its product mix and production structures, transform old enterprises, and renovate the out-of-date equipment.

The official said that in the past five years the province imported equipment valued at 200 million U.S. dollars.

At present, of the over 400 foreign-funded enterprises which have become operational, 80 percent were transformed from the old enterprises.

The export volume of the foreign-funded enterprises reached 215 million U.S. dollars last year, 2.4 times higher than in 1989, and eight percent of the province's exports.

### Governor Stresses Invigorating Large Enterprises

SK2301152591 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 21 Jan 91

[Excerpts] On the afternoon of 21 January, the provincial party committee and the provincial government held a forum in Jinan with the participation of directors and managers of some large and medium-sized enterprises to summarize and exchange experience, analyze existing problems and difficulties, and set forth good opinions and proposals.

At the forum, Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, stressed: We should further strengthen the vigor of large and medium-sized enterprises, and give full play to their

guiding role and backbone role in economic construction in order to promote the development of the provincial economy as a whole.

Zhao Zihao pointed out: We should fully understand the importance and urgency of further invigorating large and medium-sized enterprises, and deepen our understanding of the strategic significance in invigorating such enterprises. He added: At present, there are 1,116 large and medium-sized enterprises in the province, of which, 806 are run by the state. Although the number of these enterprises makes up for merely three percent of the total number of the province's industrial enterprises exercising independent accounting, the output value of these enterprises makes up for 55.5 percent of the total provincial output value, their fixed assets account for 59.9 percent of the province's industrial enterprises as a whole, and profits and taxes delivered by them account for 33.8 percent of the provincial total revenues. It is thus clear that whenever we have a good grasp of large and medium-sized enterprises, we will grasp the ox's halter of industrial production, that is, we will have a good command of major contradictions in economic work. Failing to invigorate large and medium-sized enterprises, we will be unable to invigorate the economy as a whole. If large and medium-sized enterprises lack momentum for further development, the entire economic development will be affected seriously. We must regard the invigoration of large and medium-sized enterprises as an important task of strategic significance and as a basic starting point and standpoint of economic work. We should concentrate our efforts and try every possible means to invigorate large and medium-sized enterprises. [passage omitted]

Attending the forum were Ma Zhongcai, Standing Committee member of the provincial party committee; Li Chunting, vice governor of the province; and responsible comrades of 13 comprehensive departments of the province.

**Zhu Rongji Speaks on 1991 Press Reportage**  
*OW2401014191 Shanghai City Service in Mandarin*  
*2300 GMT 22 Jan 91*

[From the "Morning News" program]

[Text] The Shanghai Municipal CPC Committee convened its 11th quarterly forum for the press yesterday [22 January]. Zhu Rongji, secretary of the municipal party committee and mayor; Chen Zhili, deputy secretary of the municipal party committee and head of its Propaganda Department, attended the forum and spoke. Organs of central press units stationed in Shanghai and responsible comrades of Shanghai's major press units took part.

Participants at the forum exchanged views on their plans for reportage in 1991. They suggested that the main tasks and themes for this year's reportage are to effectively implement the guidelines of the Seventh Plenum of the 13th CPC Central Committee and the 11th Plenum of

the Fifth Shanghai Municipal CPC Committee; to continue to uphold the course of serving the people and socialism; to, firstly, uphold the principles of stability, secondly, make the utmost effort, reporting on the positive side; and to constantly create new experience during practice.

In his speech yesterday, Zhu Rongli fully affirmed last year's marked achievements of the central press units based in Shanghai, as well as the regional press units. He expressed his heartfelt thanks to journalists for their hard work last year. He said: In the past year, Shanghai's press units have upheld the party's basic line of one center and two basic points, upheld the four cardinal principles, and opposed bourgeois liberalism. They have made realistic and appropriate reports on reform, opening to the outside world, and efforts to build a materially and culturally advanced society in Shanghai. These have inspiring effects. While reporting on advanced individuals and models, they have criticized unhealthy tendencies, and played an excellent role in supervising cadres at all levels, as well as reflecting the hardship of the people.

Zhu Rongji expressed the hope that propaganda and reportage this year will assume a fresh appearance. He stressed the need to step up coverage on economic affairs, particularly, the need to properly tackle the new situation and experience in large and medium enterprises. They must amply publicize the need to devote great efforts to communications, housing, gasworks, food supply, and other infrastructure projects, and the success achieved. They must step up publicity on reform and opening to the outside in order to boost the people's awareness in this regard. They must implement the principle of building, at the same time, a materially and culturally advanced socialist society. They must publicize the deeds of advanced individuals, and the need to grapple with party style and incorruptibility, and to correct irregularities in trades and professions. He stressed the need to further inspire the people with reports in these major areas, and to work hard for the revitalization of Shanghai.

In her speech yesterday, Chen Zhili spelled out the specific plans for this year's tasks in propaganda and reportage.

**Shanghai Newspapers, Media Cover Gulf Crises**  
*HK2201061391 Hong Kong TA KUNG PAO in Chinese*  
*19 Jan 91 p 4*

[“Newsletter From Shanghai” by staff reporters Kan Ku (1626 6253) and Kao Hsiao-hsiao (7559 5135 4562): “Shanghai Residents Heatedly Talk About the Gulf War Situation”]

[Text] Shanghai, 18 Jan (TA KUNG PAO) News Media Issued Reports Rapidly

The war in the Gulf has entered its second day, and it has also become the focus of discussions between residents of Shanghai.

In the morning, inside a crowded bus, a spectacled young man told a girl about Iraq's missile raid on Israel he just heard on a foreign radio broadcast, and everyone in the bus listened attentively to him. The news then aroused a round of discussion.

In some companies, the first thing many staff members did after coming to the office was to read newspapers. From morning to evening, what they talked about was the war situation in the Gulf. Taxi drivers who went around the city always kept their radio sets on in order to listen to the latest news about the Gulf war.

The local news media showed deep concern for the Gulf war, and reports were released at an unprecedented speed. Shanghai's official radio station suspended normal programs two hours after U.S. President Bush announced the war against Iraq, and broadcast "important news" every five minutes. Shanghai's three largest newspapers, namely, JIEFANG RIBAO, WENHUI BAO, and XINMIN WANBAO all used half a page to carry articles, photos, and charts to recount the war in detail over the last two days. The evening paper became very popular because it could publish the latest news. Shortly after 1400 in the afternoon, more than 100 people lined up in front of a newspaper stall. Many were elderly people. They talked about the Gulf war with each other while standing in the cold wind.

#### Stock Prices Remained Stable

The outbreak of the Gulf war did not affect Shanghai's markets. Only one commodity—radio sets, especially the nine-band radios that could receive foreign broadcasts—sold particularly well these days. In the largest department store, the No. 1 Department Store of Shanghai, the sales of radio sets almost tripled in the last few days.

Transactions on Shanghai's foreign exchange and stock markets were normal. In the foreign exchange center, the rate of the U.S. dollar against the Renminbi yuan remained 1 to 5.74, which was the rate after New Year's Day. Stock prices also basically remained stable in the last two days. Although some dropped slightly, others remained firm or rose slightly.

#### Experts Talked About the Gulf Situation

Some international affairs experts in Shanghai expressed their opinions on the Gulf war. Liang Yufan, former Chinese ambassador to the United Nations and director of the Shanghai Strategy Society; Chen Peirao, deputy director of the Shanghai International Affairs Research Center; Wu Jinan, deputy editor in chief of GUOJI ZHANWANG [INTERNATIONAL OUTLOOK]; and Zhang Guowei, a scholar on Middle East issues all held that this time, the aim of the offensive launched by the multinational forces was explicit, and they mainly attacked Iraq's missile bases and communication and

command systems in an attempt to make the Iraqi troops "deaf" and "blind" and then force Iraq to sit at the negotiating table. They said that the first-phase offensive would not last too long, and the multinational forces would see whether Iraq loosens its position before they launch the second phase of the offensive. Whether and how to carry out the second-phase offensive will depend on Iraq's reactions to the first-phase.

### Southwest Region

#### Tibet's Economy During 7th Five-Year Plan Viewed

HK2401152591 Beijing RENMIN RIBAO in Chinese  
20 Jan 91 p 1

[Report by reporter Liu Wei (0491 0251): "Tibet's Economy Boosted During the Seventh Five-Year Plan"]

[Text] Lhasa, 19 Jan (RENMIN RIBAO)—During the Seventh Five-Year Plan, heartening changes took place in Tibet's economic and social life.

In economic development, gratifying results were obtained. During the Seventh Five-Year Plan, Tibet's gross national product increased by an annual average of 4.6 percent and national income by an annual average of 5.4 percent. Tibet's agriculture grew steadily and annual grain output exceeded 550,000 metric tons. Its ethnic handicraft industry revived and developed relatively quickly, and its mineral resources began to demonstrate their advantage. Its total industrial output value exceeded 200 million yuan. During the Seventh Five-Year Plan, 1.9 billion yuan of fixed assets were added, thus establishing a number of production capabilities.

There was great progress in Tibet's opening up to the outside world. Its total import and export volume reached \$118 million. Its tourist industry developed relatively fast. A total of 108,000 guests from Hong Kong, Macao, Taiwan, and other countries were received, and thus Tibet earned an income of 225 million yuan and foreign exchange totaling \$2.7 million. New achievements were scored in economic and technological cooperation and cultural exchanges with foreign countries.

Tibet's finances have improved. The net loss [expenditure larger than income], which had existed for over 20 years, in the financial incomes of local authorities, was put to an end, namely that their net loss in 1985 was 60.37 million yuan while its net income in 1990 was 18 million yuan. New developments have been made in education, science, and technology, and the conditions for running various types of schools have markedly improved.

#### Tibet Discipline Inspection Commission Meets

OW2401021591 Lhasa Tibet Television Network  
in Mandarin 1300 GMT 23 Jan 91

[Announcer-read report; from the "Tibet News" program]

[Text] The second plenum of the CPC Discipline Inspection Commission of Tibet Autonomous Region concluded on the afternoon of 23 January in Lhasa.

The session relayed the guidelines of a national meeting held to commend advanced organizations and outstanding cadres in doing discipline-inspection work. It discussed and revised the 1991 work plan of the Tibet Regional CPC Discipline Inspection Commission and adopted a resolution on the development of a campaign throughout the region to learn from, emulate, and surpass the progress on the discipline-inspection work front.

Among those attending the meeting were Basang, Wang Chongliang, Xiang Dong, Suolang Jianding, and You Kejian, members of the Standing Committee of the regional Discipline Inspection Commission.

Basang, who is also deputy secretary of the regional party committee and secretary of the regional Discipline Inspection Commission, delivered an important speech at the meeting. She said: We should organize the cadres on the discipline-inspection work front to earnestly study the guidelines established at the Seventh Plenum of the 13th CPC Central Committee and the Second Enlarged Plenum of the Fourth Regional Party Committee. In studying the guidelines of these two sessions, we should not just rely on the general method, nor should we be perfunctory and make the study a mere formality. Instead, we must get a deep understanding of these guidelines and firmly carry them out. In addition, we must develop our work in an exploratory way by taking Tibet's actual situation into consideration and centering around the major party tasks. We should try to ensure that progress is made in our party's work in all fields.

Basang continued: It is imperative to understand the protracted and arduous nature of our struggle against corruption and resolve to fight a long battle in this regard. We should squarely face the reality that various unhealthy trends and corrupt phenomena still exist within our party. Currently, we should continue to put emphasis on correcting such problems as unhealthy practices in certain professions and trades, abuse of official power for selfish ends, embezzlement, bribery, and violations of law and discipline found in private house construction. Party members and cadres are strictly prohibited from gambling, and if they do so and their cases are confirmed by investigation, they should be subject to severe punishment. As regards those problems which the masses are seriously complaining about, we should devote great efforts to dealing with them and adopt necessary measures by taking advantage of the favorable environment and climate that have come into being as a result of the party style improvement campaign being developed in the whole party. Discipline-inspection organizations should earnestly carry out the tasks specified in the party Constitution and give full play to their functions and roles with a view to ensuring the implementation of the party's line, principles, and policies. The tasks of discipline-inspection cadres are

glorious and arduous. Their quality has a direct bearing on the work of discipline inspection and the correction of unhealthy trends within the party. Hence, discipline-inspection cadres at all levels are requested to cherish and enhance the sense of responsibility and urgency, love their work, apply themselves to diligent and painstaking study, and use their concrete action to set an example for the broad masses of party members and to help improve the style of our party.

Concluding her speech, Deputy Secretary Basang stressed: Party committees at all levels should attach importance and give support to the work of discipline-inspection departments, be concerned about the maturing of discipline-inspection cadres, and see to it that these cadres keep their mind on their work, display their initiative to the full, and seriously carry out their duties to fulfill the tasks assigned them by the party.

#### Tibet Strengthens Education in Defense

*OW2401112791 Beijing XINHUA Domestic Service  
in Chinese 0710 GMT 24 Jan 91*

[By correspondent Jia Yuping (6328 3768 1627)]

[Text] Lhasa, 24 Jan (XINHUA)—The Tibet Autonomous Region has made great efforts to strengthen education in national defense and to develop Army-government and Army-people relationships in the new situation. As a result, stability in society and peace in the border area have been promoted and economic development has been spurred.

According to a responsible person of local departments concerned, the Tibetan Autonomous Region Party Committee and Government have always regarded the development of education in national defense as a matter of prime importance in upholding the unification of the motherland and strengthening national and Army-people unity. They have compiled and published a large amount of teaching material for education in national defense; launched an educational course in colleges and middle schools on the special topic of cherishing the party, the motherland, Tibet and the Army; and launched an emulation drive of "cherishing the country and supporting the Army" among militiamen, Communist Youth League members, and the masses. In addition, they have publicized the army's meritorious deeds in border defense and Tibet's development.

Education in national defense, which has been conducted in a variety of ways, has remarkably deepened the sense of national defense among the people of all nationalities in Tibet. They have further deepened their awareness for supporting the Army and giving preferential treatment to the families of the armymen. On major festivals or red-letter days, all of the autonomous region's party and government leaders will personally lead teams to border defense sentry posts to convey greetings to commanders and fighters. Over the past few years, Tibet has arranged suitable jobs for thousands of

retired and demobilized soldiers in all localities; departments concerned have appropriated funds for the exclusive purpose of revamping martyrs' mausoleums in Shannan, Zhangmu, and other places; and youths in the region as a whole have developed great enthusiasm for joining the Army and successfully fulfilled the conscription task each year. The entire region now has more than 300 "warmth delivery groups" which serve the families of the armymen and martyrs periodically. Local schools have opened classes for soldiers. During the Seventh Five-Year Plan, more than 50,000 people and over 100,000 horses, oxen, and mules have carried materials to border defense sentry posts.

### North Region

**Beijing Post, Telecommunications Building in Use**  
*OW2401041891 Beijing XINHUA in English*  
*0322 GMT 24 Jan 91*

[Text] Beijing, January 24 (XINHUA)—The central building of the Beijing Post and Telecommunications Center has been put into use.

The project, situated northwest of the Beijing Railway Station, is a key project of the Seventh Five-Year Plan for National Social and Economic Development.

The project site covers an area of 78,000 square meters, making the central building the largest mail processing center in the country.

**Crime Rate Drops Among Secondary School Students**  
*HK2401054991 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0750 GMT 19 Jan 91*

[Report: "Drop in the Number of Crimes Committed by Beijing's Secondary School Students Every Year"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 19 Jan (ZHONGGUO TONGXUN SHE)—In the past year, the rate of crimes committed by Beijing's secondary school students has dropped from the previous year's 0.11 percent to 0.098 percent. So far, the rate of crimes committed by secondary school students in the Chinese capital has been on a downward trend in the past five years.

At present, the Beijing Municipality has formed a comprehensive network to prevent crimes by secondary school students. Working side by side, the municipality's Commission on Protection of Adolescents, the Office of Comprehensive Measures, Public Security Bureau, Judicial Bureau, and Education Bureau have gradually systematized the legal education carried out among the secondary school students. Another principal reason for the drop in the crime rate among Beijing's secondary school students is the establishment of a system to supervise students who lag behind in their studies as well as those preparing for work-study programmes.

### Inner Mongolia's Wang Qun Addresses Plenum

#### Discusses Enterprise Development

*SK2301135491 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 21 Jan 91*

[Text] In his report to the third enlarged plenum of the fifth autonomous regional party committee, Comrade Wang Qun said that in the economic and social development of our region in the next 10 years, we should focus on improving economic efficiency, give priority to adjusting the product mix, and do a good job in tapping the potential of, technically transforming, renovating, and reorganizing the existing enterprises, especially large and medium-sized key enterprises.

He said: First, we should expedite the technical transformation of enterprises, and actively adjust the product mix. In the Eighth Five-Year Plan period, we should organize, in a planned and selective manner, large and medium-sized and key enterprises in our region which have potential for development to cooperate with the scientific research institutes and schools of higher learning outside the region. We should mobilize the engineering and technical personnel of enterprises and various quarters of society, and rely on our region's advantages in natural and energy resources, and technological and equipment foundation to greatly develop the new products that are more technology-intensive, consume less materials, and are readily marketable, and popularize and apply new technology and measures. We should pay close attention to the changes in the domestic and international markets, analyze and forecast the market situation, and continuously adjust the product mix. We should particularly make efforts to expand the market to make our products occupy more space in the market.

Second, we should rationalize the industrial composition, and actively develop our region's light and textile industries, electronic, and other industries. Ours is an industrial composition giving more priority to heavy industry. In the future, we should still continue to develop the energy, raw material, and heavy chemical industries. At the same time, we should actively develop some advantageous industries which have great potential. They are mainly the light and textile industries which use farm products and animal by-products as raw materials, such as woolen textile, leather, dairy product, sugar, paper-making and food processing industries. In addition, electronic, medical, building material, and garment processing industries also have bright prospects.

Third, we should develop on a priority basis large and medium-sized state key enterprises and, at the same time, accelerate the development of collective, individual and private enterprises, Chinese-foreign joint ventures and cooperative enterprises, and exclusively foreign-funded enterprises. Priority should be given to large and medium-sized state key enterprises in terms of policies, funds, energy resources, raw materials, communications, and transportation. We should also improve

the external environment for these enterprises through supporting reforms so that they will have more decision-making authority in production, management, and marketing, and will deem it more necessary to tap potential, and carry out technical transformation, renovation, and reorganization. Large and medium-sized enterprises should conscientiously strengthen and improve management, strictly enforce labor discipline, improve their rules and regulations, strive to reduce production costs, improve product quality, and increase the competitive edge of their products so that they can make still greater contributions to the state. Meanwhile, they should develop their advantages in technology, equipment, and trained personnel to actively help and lead the development of local small and medium-sized enterprises, and township enterprises. Military industrial enterprises should adhere to the principle of producing goods for both military and civilian use, combining peacetime needs with wartime needs, producing goods for military use on a priority basis, and supporting the production of the goods for military use with the production of the goods for civilian use, and continue to greatly develop the production of the goods for civilian use. We should adhere to the ownership system under which the socialist public ownership remains predominant and the various sectors of the economy coexist, develop the beneficial supplementary role of the individual, private and other economic sectors, and strengthen correct management and leadership over them. This is the principle for building socialism with Chinese characteristics. Judging from the actual conditions of our region, the development of the individual, private and other economic sectors is only at the beginning, and the development of the urban collective economy is rather slow. In view of such a situation, it is very necessary for us to stress the development with a free hand of collective, individual, and private enterprises, Chinese-foreign joint ventures and cooperative enterprises, and exclusively foreign-funded enterprises in the next 10 years, especially in the Eighth Five-Year Plan period. In this way, we will be able to broaden the channels for employment and increase employment, which is conducive to social stability; and we will be able to reduce the burden of the state and extricate the state from the need of taking over everything, which is conducive to economic development, and which helps make the people's livelihood more convenient. All party committees and governments, and all pertinent departments should relax the policies for the aforementioned enterprises, encourage them to do business according to law, and conscientiously ensure their legal rights and interests, and proper income.

#### **Views Science, Technology, Education, Culture**

*SK2301141791 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 22 Jan 91*

[Text] In his report to the third enlarged plenum of the fifth autonomous regional party committee, Comrade Wang Qun said that in the Eighth Five-Year Plan period and the next 10 years, our region should greatly develop

science and technology, education and cultural undertakings, with a focus on economic construction, which is the central task.

Wang Qun pointed out: Major tasks for scientific and technological work are that, focusing on economic construction, we should greatly intensify the research and popularization of applied science and technology so that the scientific and technological achievements that require less investment and yield greater and faster results can be widely applied in production and construction, can be turned into real productive forces as soon as possible, and can be used to promote agricultural and animal husbandry development, and the technical transformation and equipment renewal of enterprises, and to facilitate the rational adjustments of the industrial composition and product mix, and the upgrading of technological level. Wang Qun said that we should organize forces to tackle major scientific and technical difficulties, and solve the major problems in our region's economic construction and social development that call for urgent solutions.

Wang Qun said: The basic idea for our region's educational development for the Eighth Five-Year Plan period and the next 10 years is to adhere to the principles that education should serve socialist modernization, should be combined with production and labor, and should be aimed at training the constructors and successors who are morally, intellectually and physically developed. It should comprehensively raise the ideological and political levels and professional competence of educators and those who are educated. We should continue to deepen the reform of education, actively adjust and improve the educational structure, raise the quality of education and the efficiency of teaching, and train the personnel of different specialties to meet the various needs of economic construction. The priorities of educational development are 1) to intensify elementary education, 2) to intensify vocational and technical education, 3) to adopt various measures and various channels to develop adult education and, meanwhile, attach great importance to the work of wiping out illiteracy in rural and pastoral areas, 4) to intensify the education of minority nationalities to raise trained personnel of minority nationalities who meet the needs of the four modernizations, especially those specialized in economic management, and natural science and technology, 5) to stabilize the existing scope of the higher education, rationalize its setup of specialties, improve its teaching quality, and scientific research and academic levels, and render proper support to key specialties to make them rank among the best in the country and in the world, and 6) to strengthen efforts to improve the contingents of teachers, and continuously upgrade their overall quality.

Wang Qun pointed out: We should adhere to the principle of serving the people and socialism to further develop our region's cultural undertakings, and enable them to play a role in facilitating our region's socialist modernization. We should further strengthen the party's

management and leadership over propaganda and theoretical work, press and publication, radio and television, and culture and art. We should continue the antipornography work, and use socialist ideas to occupy the cultural fronts in urban and rural areas.

Wang Qun emphasized: We should continue to implement the party's policies on intellectuals, advocate the practice of respecting knowledge and trained personnel throughout society, and strive to provide vast room for trained personnel to develop their ability, and good work conditions for them.

#### Urge Solving Problems in Understanding

SK2301144091 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 22 Jan 91

[Text] In his report to the third enlarged plenum of the fifth autonomous regional party committee, Comrade Wang Qun emphasized that we should make redoubled efforts to narrow the gap between our region and advanced provinces, and catch up with their pace in reform and opening up, and that the most important task in doing this is to continue to emancipate our minds, and further solve the problems of cadres, especially leading cadres, in their understanding and ideas.

Wang Qun said: Checking ourselves against the experiences of advanced provinces and the advanced examples of our region, we should particularly resolve the following issues concerning our understanding.

First, we should always adhere to the socialist orientation of reform and opening up.

Second, we should persistently take development of social productive forces as the basic task of socialism, and, based on this, formulate the steps and measures for reform and opening up, and appraise whether these steps and measures are right or wrong, and a success or failure.

Third, we should have the spirit of braving the way forward, and have the courage to experiment, and carry out work in a creative manner.

Fourth, we should further embrace the idea of opening up, and continuously overcome the closed-door idea.

Fifth, we should have the ability to pay attention to major areas, grasp them, and work out enlightened policies.

Sixth, we should embrace the idea on trained personnel that is compatible with the situation in reform and opening up.

Wang Qun said: All our region's achievements in construction scored after the third plenum of the 11th party Central Committee are closely linked to reform and opening up. All the people who have personally experienced this great change will deeply feel that reform and opening up are indeed the road to make the country strong and the people prosper, and will profoundly understand that our region will become even more

backward if it does not rise in the process of reform and opening up, because ours is a region economically and culturally backward, but is also one with great potential. Party organizations and leading cadres at various levels should have a very clear understanding of this.

#### Speaks on Economic Political Reforms

SK2301144791 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 22 Jan 91

[Text] In his report to the third enlarged plenum of the fifth autonomous regional party committee, Comrade Wang Qun pointed out that in the next five years and in the Ninth Five-Year Plan period, our region's reform and opening up should be focused on the work in three fields.

First, we should continue to deepen the reform of the economic structure. Emphasis on this reform is the central link of invigorating state enterprises, especially large and medium-sized ones. We should strive to provide a good external environment for enterprises, and increase their internal vigor. We should further persist in and improve the director and manager responsibility system, and link the enterprise contract system with the internal reform of enterprises, and with the endeavor to strengthen enterprise management. Focusing on the merging of enterprises and the establishment of enterprise groups, we should facilitate the rational distribution and optimal organization of the major elements for production. We should deepen the reform of the system for the circulation of goods, and gradually establish and improve a market system. We should accelerate housing reform, reform the grain purchasing and marketing system and the grain pricing system in an active and yet prudent manner, and continue to achieve success in the work of the two experimental zones and various experimental reform work.

Second, we should continue the principles of promoting both the work of opening to the areas north of the region and the work of cooperating with the areas south of the region, and of serving the entire country and developing Inner Mongolia, and adopt every means to open wider to the outside world. We should make a correct assessment of the situation, greatly develop foreign trade and economic and technological cooperation with foreign countries, open wider to other localities of the country, and make utmost efforts to place our region's economy in the midst of the large market of the entire country. We should actively develop Chinese-foreign joint ventures, and the enterprises jointly invested by units in and outside of the region.

Third, we should facilitate political reform in an active and yet prudent manner. While comprehensively implementing the various arrangements of the central authorities for political reform, we should emphasize the experimentation in the institutional reform, further popularize the experiences of Zhuozi County and Horqin Right Wing Front Banner, and actively streamline the higher levels, replenish the grass-roots levels, and

strengthen their function. We should continue to promote the reform of the personnel system related to cadres, and improve the quality of the contingent of cadres.

### **Incites Stability, Unity, Party Building**

*SK2301145291 Hohhot Inner Mongolia Regional Service in Mandarin GMT 91*

[Text] In his report to the third enlarged plenum of the fifth autonomous regional party committee, Comrade Wang Qun urged party organizations at various levels throughout the region to faithfully implement the principle of building socialism with Chinese characteristics as summarized at the seventh plenum of the party Central Committee, conscientiously strengthen and improve party leadership, fully develop the party's political advantage, and mobilize the positive factors from all quarters to provide reliable political ideology and organizational guarantees for fulfilling the goals of our region's economic and social development.

Wang Qun said: Party organizations at various levels should firmly embrace the idea of maintaining stability on a long-term basis to ensure the lasting political and social stability of our region. Lasting stability in the political and social situation is the reason for our party to take the lead in political power, and also an important prerequisite and basic guarantee for the smooth accomplishment of the 10-year program and the Five-Year Plan. We should have a deep understanding of the role of the endeavor to stabilize the overall situation in ensuring economic and social development, and the strategic significance of stabilizing Inner Mongolia in stabilizing the entire country, and strive to do everything that is conducive to stability, that is geared to the need for stability, and that serves stability.

Wang Qun urged: Focusing on attaining the goals of economic and social development, party committees and governments at various levels should greatly strengthen nationalities work, and strive to promote the unity and common prosperity of various nationalities. Through fruitful work, they should lead cadres and people of various nationalities to link their vital interest closely to the overall interest of the autonomous region, and the progress of every nationality to the development of the autonomous region and the common prosperity of all nationalities, and boost the initiative and creative enthusiasm of the cadres and people of various nationalities. They should persistently conduct in-depth education on the Marxist theories on nationalities, and the policies on and unity of nationalities, conscientiously implement the party's law on regional national autonomy, and concentrate the major efforts of the cadres and people on fulfilling the goals for the Eighth Five-Year Plan period, and those to be attained by the end of this century.

Wang Qun said: To smoothly attain the future grand goals of our region's economic and social development, we should strengthen party building, and give full play to the central and leading role of party organizations and

the leading and exemplary role of party members in economic and social development. Taking economic construction as the central task, party committees should make great efforts to improve the grass-roots organs of political power, economic organizations, and mass organizations with grass-roots party organizations at the core. They should always pay attention to the management and education of party members, maintain close party-populace ties, continue the work to advocate honesty and oppose corruption, develop socialist democracy, improve the socialist legal system, and mobilize all positive factors to accelerate socialist modernization.

Wang Qun said: We should strengthen ideological and political work, and make great efforts to build the socialist spiritual civilization so as to provide a necessary spiritual force and ideological guarantee for attaining the goals of economic and social development for the next five and 10 years. The endeavor to build the socialist spiritual civilization should serve economic construction, which is the central task. We should regard education on and struggle for adherence to the four cardinal principles and opposition to bourgeois liberalization as a long-term task, and carry it out successfully. All localities and all departments should include the building of the spiritual civilization in their overall plans for the economic and social development for the next five and 10 years, and conscientiously carry it out.

### **Inner Mongolia Planning Conference Concludes**

*SK2301025091 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 20 Jan 91*

[Text] The regional planning, financial, industrial, communications, scientific and technological, and price work conference concluded on 20 January. Bu He, chairman of the autonomous region, attended and gave an important speech on how to conscientiously carry out this year's work. Bu He said: This conference has been a success, and the anticipated purposes have been basically achieved. To implement the guidelines of this conference, leagues, cities and various departments should pay attention to the following three points:

First, they should assign to every level the various work tasks, and the various targets of economic and social development for this year as determined at this conference, and adopt effective measures to clearly define responsibility so as to ensure the fulfillment of the tasks and the targets.

Second, they should take the overall situation into account, and ensure the key projects while giving consideration to ordinary ones. To ensure the interest of the whole, all localities should have some sacrificing spirit, and support the work of the autonomous region as a whole with their actual deeds.

Third, all localities and departments should focus their attention on their own work, and make it successful.

Speaking on further emancipating the mind and updating ideas, Bu He said: Knowledge is the precursor of action. Only when we further emancipate our minds, and update our ideas, can we achieve new improvement and fairly great progress in our work. Concerning this, he stressed that we should enhance five concepts and firmly embrace various ideas at present. First, we should enhance the concept of service, and firmly embrace the idea of taking economic construction as the central task.

Bu He said: The tremendous achievements in economic construction in the past 10 years should be attributed first to the efforts to place economic construction in a central position. In order to achieve greater development in the next 10 years, we should further firmly embrace the idea that economic construction is the central task, and enhance the concept of service. We should focus people's mind, energy and action on economic construction and bring them to the track of service so that the idea of a central task and the concept of service can become the concept of the entire party, entire people and entire society, and be reflected in political, economic, administration and judicial work, and in various trades and professions.

Second, we should enhance the concept of enlightenment, opening up, pioneering and development, and firmly embrace the idea of reform and opening up.

Third, we should enhance the concept of the commodity economy, and firmly embrace the idea of macroeconomic regulation and control.

Fourth, we should enhance the concept of efficiency, and firmly embrace the idea of expanding production through upgrading technology and improving management.

Fifth, we should enhance the concept of respect for trained personnel, and firmly embrace the idea of the masses.

Speaking on the work that should be emphasized this year, Bu He pointed out: We should emphasize three fields of work for deepening the reform for this year. First, rural and pastoral areas should stabilize and improve the household output-related contract responsibility system. Second, we should deepen enterprise reform, with the focus on persisting in and improving the enterprise contracted managerial responsibility system. Third, we should further accelerate housing reform, and pay attention to the sales, leasing, construction and management of houses at the same time. With regard to the work of opening wider to the outside world, we should emphasize the expansion of publicity to the outside world, expansion of achievements in imports, and expansion of the scope of opening up.

Third [as heard], we should adjust the structure to improve efficiency. The focus should be placed on the adjustments of our region's industrial composition, product mix and enterprises' organizational structure. Regarding the adjustment of the industrial composition,

we should invigorate large and medium-sized enterprises on the one hand, and greatly develop township enterprises on the other hand. Regarding the adjustment of product mix, we should actively develop the products of various grades, produce more undersupplied products, and develop new, quality, precision and finely processed products so that the products of our region will be more capable of meeting market demands, competition, and coping with changes.

Fourth [as heard], we should strengthen management, and enliven the circulation of goods. We should improve efficiency through improved management. By strengthening management, and enhancing enterprises' strength for sustained development, we should base our region's effort to improve economic efficiency truly on a more solid and reliable foundation. Regarding the work to invigorate the market and the circulation of goods, we should give more attention to the disposal of stockpiled goods, reduction of stocked amounts, and enlivening of the circulation of funds. When organizing the production and development of new products, we must consider production, circulation and consumption as a whole, and reduce as much as possible and even eliminate new stockpiling of goods. We should actively cultivate and open up markets in rural and pastoral areas, and make great efforts to organize delivery of industrial goods to the countryside.

Attending the conference were autonomous regional leaders, including Liu Zhenyi, Pei Yingwu, Liu Zuohui, Alatanaoqier and Baoyanbatu, as well as Lin Weiran. Pei Yingwu presided over the conference.

#### Inner Mongolia Overfulfills Grain Procurement

SK2401113391 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 23 Jan 91

[Summary] Inner Mongolia Autonomous Region overfulfilled the state fixed-quota purchase assignment of grains and edible oil. By 15 January this year, the region's volume of stored grains reached more than 3.164 billion kg, a 1.761 billion kg increase over the same period of 1990. The region fulfilled the state fixed-quota purchase assignment of more than 888 million kg and overfulfilled the assignment by 1.3 percent. The region's volume of stored oil-bearing seeds has reached more than 320 million kg, a more than 85.3 million kg increase over the same period of 1990. It fulfilled the state fixed-quota purchase assignment of more than 18 million kg of oil-bearing seeds and overfulfilled the assignment by 9.3 percent.

#### Tan Shaowen Addresses Tianjin Party on Plenum

SK2401012891 Tianjin City Service in Mandarin 2300 GMT 22 Jan 91

[Text] The Seventh Enlarged Plenum of the Fifth Tianjin Municipal CPC Committee was held from 15 to 22 January 1991. In line with the guidelines of the Seventh Plenum of the 13th CPC Central Committee, this session

defined the municipality's most important tasks in 1991 as boosting economic construction with single-hearted devotion, continuously safeguarding stability, positively promoting economic rectification and in-depth reform, opening still wider to the outside world, strengthening party building and the building of spiritual civilization, maintaining an appropriate growth rate of the national economy, and promoting the sound development of various undertakings of Tianjin's socialist modernization drive.

The session's participants conscientiously relayed and studied the CPC Central Committee's proposals for drawing up the 10-year program for the national economic and social development and the Eighth Five-Year Plan, the important speech of Comrade Jiang Zemin, the explanation made by Comrade Li Peng for the draft proposals, and the speech made by Premier Li Peng during his recent inspection tour of Tianjin. The session's participants also examined, discussed, and unanimously adopted the 1991 work essentials of the Tianjin Municipal CPC Committee. Tan Shaowen, secretary of the municipal party committee, and Nie Bichu, deputy secretary of the municipal party committee, made speeches on the issues of implementing the guidelines of the Seventh Plenum of the 13th CPC Central Committee and making this year's work a success throughout the municipality.

Participants maintained: The 1991 work essentials of the municipal party committee have fully embodied the guidelines of the Seventh Plenum of the 13th CPC Central Committee, are in agreement with the reality of Tianjin, and thus are a good document guiding the work of the municipality as a whole. With the concerted efforts of the session's participants, this session was held in a very successful manner, and attained the purpose of unifying thinking, enhancing spirit, and strengthening unity.

The enlarged plenum of the municipal party committee maintained: In 1990, the municipality conscientiously implemented the line, principles, and policies of the central authorities as well as the guiding ideology offered by the municipal party committee, that is, giving priority to maintaining stability in doing everything and turning difficulty into opportunity. Thanks to the concerted efforts of the vast number of party members, cadres, and the masses, the economic, political, and social situations throughout the municipality were stable, marked results were achieved in the campaign of economic rectification, a comprehensive bumper harvest was reaped in agriculture, industry was picking up gradually, market supply was ample, party building was strengthened, a new favorable turn emerged in the ideological and political work, and the work in all fields continued to develop in a steady manner. This is the main trend of our work and is the foundation for continuous advance. It should be noted, however, that in 1991 we are confronted with some problems and difficulties. Therefore, we must have a full estimate of and make ample preparations for tackling these problems and difficulties.

The session pointed out: In this new year, we should firmly and unwaveringly implement the party's basic line of upholding the four cardinal principles and upholding reform and opening-up, with focus on economic construction, and implement a series of principles and policies. We should also uphold the principle of building socialism with Chinese characteristics and 11 other important principles stressed by the Seventh Plenum of the 13th CPC Central Committee. We should follow the principles of maintaining the overall stability, and mobilizing the masses in all fields to positively overcome difficulties and pioneer the road of advance. We should place the standpoint of our work on tiding over difficulties, consolidating the excellent situation, making our work a success, and striving for an even greater progress.

The session pointed out: In accordance with the guidelines of the Seventh Plenum of the 13th CPC Central Committee, in light of the new experience and new circumstances emerged in the municipal work over the past several years, we should [passage indistinct], should regard the development of social productivity as the basic task, and [passage indistinct].

The enlarged plenum stressed: Persisting in reform and opening still wider to the outside world is a fundamental policy we must uphold for a long period of time. The session also stressed: Strengthening and improving party leadership and fully mobilizing the initiative in all fields are a fundamental guarantee for surmounting difficulties and fulfilling all tasks of this year. Party organizations at all levels as well as party members and cadres throughout the municipality must maintain a high degree of political unanimity with the CPC Central Committee, and ensure the implementation of various dispositions of the CPC Central Committee and the municipal party committee. We should strengthen the sense of organization and discipline, and consciously safeguard party leadership. We should foster the sense of overall interest, striving to submit partial interest to overall interest and submit immediate interest to long-term interest. We should actually strengthen the party's self-construction, and concentrate our attention on grasping political, ideological, organizational, and work-style construction of party organizations at all levels in order to enhance the party's fighting capacity. We should focus our work on successfully building the party's organizations at the grass-roots level so that we may give full play to the role of party branches as a fighting force and the vanguard and exemplary role of party members. The basic issue of strengthening party building is to establish close ties between the party and the masses. We should continue to implement the decisions of the Sixth Plenum of the 13th CPC Central Committee, and resolutely overcome the circumstance of deviating from the masses. We should continue to grasp the building of party style and the improvement of administrative honesty, penetratingly conduct education on party and administrative disciplines, and seriously investigate and deal with law violation and undisciplined cases committed by party members, party-member leading cadres in particular, so as to

resolutely clear corrupted elements out of the party. We should continue to tackle in a comprehensive way the unhealthy trends of various professions and trades and the problems about which the masses have complained much so that we may win confidence among the people. We should continue to strengthen the building of leading bodies at all levels in order to constantly improve the overall quality of leading bodies.

The session also stressed: We must further consolidate and strengthen the inner-party unity and the great unity among all fields in the municipality. We should continue to preserve and carry forward the municipality's traditions of strengthening the unity between the party and the government, the unity between new and old cadres, the unity between the Army and the government, the unity between the Army and the people, and the great unity among the people of all nationalities on all circles throughout the municipality. In particular, we should continue to strengthen the unity among all levels of leadership nucleus, mobilize all positive factors, and further establish a comprehensive superiority and strong force to overcome difficulties.

The session pointed out: At the moment, the central task facing the whole party and the whole people in the municipality is to implement the guidelines of the Seventh Plenum of the 13th CPC Central Committee, and fulfill all work demands set on us by the municipal party committee. To attain this, we are required to work hard in all fields. So far as party and government leaders at all levels are concerned, what is important is to emancipate minds, seek truth from facts, unit as one, and work in a down-to-earth manner. We should vigorously advocate [words indistinct] in ideology and work style so as to do our work in a successful and realistic manner. We should renounce empty talk in favor of arduous and solid work. We should attach importance on practical results.

The session called on party members and the masses throughout the municipality to enhance spirit, work with one heart and one mind, and quietly immerse themselves in hard work so as to win a new victory in the socialist modernization of the municipality, under the leadership of the CPC Central Committee, headed by Comrade Jiang Zemin, along the direction guided by the Seventh Plenum of the 13th CPC Central Committee.

Present at the session were members and alternate members of the municipal party committee, members of the municipal advisory commission, members of the municipal discipline inspection commission, party-member principal responsible comrades of various units at or above the district, county, and bureau levels, and party-member major responsible comrades of some large enterprises. Also present were members of the Central Advisory Commission who were living in Tianjin, and members with party affiliation of the National People's Congress Standing Committee, more than 620 persons in all.

#### Tianjin Discipline Inspection Commission Meets

SK2501004191 *Tianjin City Service in Mandarin*  
2300 GMT 23 Jan 91

[Text] The seventh plenum of the Tianjin CPC Discipline Inspection Commission was held from 21 to 23 January to study and implement the guidelines of the seventh plenum of the 13th party Central Committee and the seventh enlarged plenum of the fifth municipal party committee, summarize last year's work, and discuss and approve this year's discipline inspection work tasks.

Yang Jingheng, secretary of the municipal Discipline Inspection Commission, presided over and addressed the session.

The session noted: The year 1991 is the first year for implementing the Eighth Five-Year Plan, and discipline inspection organs shoulder still heavier and more arduous tasks. Discipline Inspection Commissions at various levels, and all discipline inspection cadres should firmly embrace the guiding thought of serving the party's basic line, steadfastly take the guidelines of the sixth and seventh plenums of the 13th party Central Committee and the seventh plenum of the fifth municipal party committee as the guide, comprehensively perform the functions of protection, punishment, supervision and education of discipline inspection organs, and carry out fruitful work to provide a disciplinary guarantee for the smooth implementation of the various work tasks put forward by the municipal party committee. In their own specific work, they should firmly abide by the basic idea of service, reform, being realistic and improvement, and attend to the work in six major fields.

First, they should strengthen supervision and examination to ensure that the party's line, principles and policies are implemented.

Second, they should assist party committees in improving party style and maintaining honesty in the performance of official duties, and conscientiously solve the problems about which the masses have many complaints.

Third, they should conscientiously investigate and handle discipline breaches within the party, and strictly enforce discipline.

Fourth, they should intensify the education on party style and party discipline to improve the quality of party members.

Fifth, they should conduct investigations and study based on actual conditions, and raise the level of discipline inspection work.

Sixth, they should pay attention to improving themselves, and strive to meet the needs of the new situation.

The plenum stressed: Party committees at various levels should continue to strengthen leadership over and support for discipline inspection work. Discipline inspection organs should actively win and rely on the leadership and support of party committees, develop the function of discipline inspection organs as a whole, gain the initiative in discipline inspection work, and establish an image as beloved discipline inspection organs.

The plenum urged Discipline Inspection Commissions at various levels, and all discipline inspection cadres to actively respond to the calls of the party Central Committee and the municipal party committee, earnestly perform their responsibilities, take the initiative in doing discipline inspection work successfully, and make new contributions to strengthening party building, safeguarding the stability of the overall situation, and facilitating the healthy progress of our municipality's modernization drive and building of the spiritual civilization.

### **1991 China Export Fair Slated for March**

*SK2401125891 Tianjin City Service in Mandarin  
2300 GMT 23 Jan 91*

[Text] The 1991 China Export Commodity Fair in Tianjin will be held from 1 to 10 March. This commodity fair will be cosponsored by 11 provinces and municipalities including Beijing, Tianjin, Shanxi, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, and Tibet.

The first meeting of the leading group for the 1991 China Export Commodity Fair in Tianjin was held at the Tianjin International Trade Exhibition Center on 23 and 24 January. Attending the meeting were responsible comrades and pertinent representatives from the departments, commissions, and bureaus in charge of foreign economic relations and trade in the above-mentioned 11 provinces and municipalities, and from the import and export company under the Xinjiang Bureau in charge of state farms.

Attending and speaking at the meeting were Zhang Zhaoruo, vice mayor of Tianjin Municipality and director of the leading group for the 1991 China Export Commodity Fair in Tianjin; and Gu Yongjiang, vice minister of the Ministry of Foreign Economic Relations and Trade.

On behalf of the municipal government, Vice Mayor Zhang Zhaoruo expressed a warm welcome to responsible comrades of various sponsoring units on their coming to Tianjin, and expressed Tianjin's determination to render sincere cooperation and enthusiastic service so as to make this commodity fair a success.

Vice Minister Gu Yongjiang also expressed hope that various sponsoring units would cooperate with one another to make this fair a success, and would strive to make this fair not only attract still more foreign traders but also provide a good opportunity for domestic traders to learn from each other and exchange experiences.

Preparations for this commodity fair began in December last year. Since then, thanks to the solid work of various offices, some 6,000 invitation cards have been sent to the agencies of more than 60 foreign countries on five major continents stationed in China, to our countries' agencies stationed abroad, and to traders in Hong Kong and Macao. Now, the layout of 310 exhibition counters has already been defined.

On the evening of 23 January, Mayor Nie Bichu met with responsible comrades and representatives from the 11 provinces, autonomous regions, and municipalities. Mayor Nie Bichu extended a welcome to these responsible comrades and representatives for their coming to Tianjin to attend this meeting.

He said: In the field of carrying out reform and opening to the outside world, Guangdong Province and Shanghai Municipality have taken a good lead; while north China and northwest China have a vast expanse of hinterland and thus promise great prospects of development. Tianjin seeks to open itself to the outside world and to the domestic places outside the municipality, and take advantage of its favorable condition of harbors to render good service to various inland provinces and municipalities. Our common goal is to make the reform and opening-up of the north China and the northwest China proceed in an even rapid manner so as to achieve a common prosperity.

Nie Bichu expressed hope that various fields would make concerted efforts, and unit with one another so that they might achieve success in this commodity fair.

### **Northeast Region**

#### **Sun Weiben Answers Questions on Electoral Work**

*SK2501022891 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 24 Jan 91*

[Text] Today, Sun Weiben, chairman of the Standing Committee of the provincial People's Congress, answered several questions concerning electing county and township People's Congresses, raised by some journalists from the press bureau under the Standing Committee of the National People's Congress.

Reporters from XINHUA News Agency, RENMIN RIBAO, the central television station, the central international broadcasting station, and FAZHI RIBAO [Legal System Daily] respectively asked Sun Weiben questions.

In answering the question concerning the distinguishing features of the electoral work, Sun Weiben said: The electoral work was well prepared, the propaganda and educational work was deeply carried out, and the elections were conducted in a democratic manner and strictly according to law. The People's Congress Standing Committees at various levels gave effective instructions and the party committees at various levels strengthened the leadership over the electoral work.

Some journalists asked him what accomplishments have been made from the electoral work?

Sun Weiben said: I think that the electoral work is successful. We have made progress and improvement in terms of the ways to conduct the elections and the results from the electoral work when compared with the electoral work in the previous three times. We gained some experiences. This will positively help improve the direct electoral work.

Sun Weiben continued: I think that we gained results in four spheres from the electoral work. First, the People's Congress system has taken root in the hearts of the people. Second, the vast number of cadres and people have further enhanced their sense of democracy and legal system. Third, reasonably-structured and qualified deputies to the county and township People's Congresses were elected. Fourth, higher-quality leading bodies of the county and township committees of the Chinese People's Political Consultative Conference were elected.

In answering the journalists' question concerning what prominent problems should be solved in the future, Sun Weiben said: Although the county and township People's Congresses were directly elected on four occasions, there are some problems concerning people's understanding as well as some problems due to imperfect legal systems. From now on, we should further solve ideological problems so as to enhance cadres' understanding about democracy. We should further perfect the multi-candidate election system and the system of introducing candidates so as to improve the work of electing county and township People's Congresses.

#### **Heilongjiang Governor Attends Provincial Plenum**

*SK2401132391 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 23 Jan 91*

[Text] The Seventh Plenum of the Sixth Heilongjiang Provincial CPC Committee held its second plenum today. Shao Qihui, deputy secretary of the provincial party committee and provincial governor, gave an explanation on the draft outlines of the province's 10-year program and Eighth Five-Year Plan. Zhou Wenhua presided over today's plenum.

Shao Qihui first explained how the draft outlines of the program took shape. He said: In the first half of last year, the provincial party committee and government devoted more efforts to the formulation of the province's 10-year program and Eighth Five-Year Plan, and regarded it as a major task in order to make it more compatible with the requirements of the central authorities and the actual conditions of our province, and make it more scientific. Principal leading comrades of the provincial party committee and governments led work groups to conduct investigations and study in various prefectures and cities several times, thus enhancing their understanding of the situation of the province, and ascertaining the key issues to be resolved in the 10-year program and Eighth Five-Year Plan periods. A fairly large-scale symposium on the

basic ideas for the 10-year program and Eighth Five-Year Plan was held, at which principal leading comrades of the several provincial-level leading bodies, principal responsible comrades of the various departments directly under the province, and experts and scholars from various units aired their views freely, and held wide-ranging and in-depth discussions. This laid a very good foundation for further revising the basic ideas. Two groups led by major leaders of the provincial party committee and government were organized to conduct study and observation activities in Shandong, Fujian, Guangdong and Shanghai. This provided very beneficial and valuable experience for us to learn how to facilitate reform and opening up, and how to plan the development for the next 10 years in line with specific local conditions. The provincial party committee held a democratic consultation meeting of nonparty personages, at which responsible persons of various democratic parties offered many very good suggestions. After having been revised and improved continuously, the outlines were submitted to the provincial science and technology advisory commission, which organized experts to make scientific appraisals of the outlines as a whole, and each special item of the outlines. Not long ago, the provincial party committee held a special enlarged Standing Committee meeting, at which participants held in-depth discussions and study on the outlines of the 10-year program and the Eighth Five-Year Plan in addition to studying the guidelines of the seventh plenum of the party Central Committee, and made important revisions of the outlines.

Shao Qihui said: According to the outlines, the strategic goal of our province is to build it into a prosperous and wealthy province where the economic structure, which closely combines the import-oriented economy with the export-oriented economy, is fairly reasonable, and economic efficiency is fairly good. This goal evinces the hopes and desires of the people throughout the province, and is inspiring.

Speaking on the basic principles for the outlines, Shao Qihui said: The outlines of the 10-year program and the Eighth Five-Year Plan put forward the series of principles that our province should follow in its economic and social development in the 1990's. First, we should adhere to the general principle of reform and opening up. Second, we should adhere to the principle of achieving sustained, stable and coordinated development in the national economy. Third, we should adhere to the principle of focusing on improving economic efficiency. Fourth, we should give prominence to scientific and technological progress, and the development of education. Fifth, we should adhere to the principle of attending to the two civilizations simultaneously. Sixth, we should adhere to the principle of plain living, arduous struggle and building up the country through thrift and hard work. Seventh, we should continuously improve the people's living standards while developing the economy. Eighth, we should further emancipate the mind, and adhere to the criterion of productive forces.

Speaking on restructuring the economy, Shao Qihui said: In the outlines, restructuring the economy is regarded as the central task of the economic construction for the next 10 years. In adjusting the industrial composition, we should implement the policy of giving necessary special emphasis to some industries, and determine the order of priorities of industrial development in a scientific manner. Our effort to put agriculture in the first place aims to strengthen its position as the foundation, and conforms to both the needs of the economic development of the province, and the requirements of the state on us. Our effort to place the energy industry, with the focus on power industry, transportation, and post and telecommunication in the position next to agriculture is also decided by the basic role of these areas, and their current incompatibility with economic development. Making great efforts to develop the tertiary industry is one of the priorities of the economic restructuring in the next 10 years. Success in handling the relationship between restructuring by starting new projects and restructuring by adjusting existing projects is the key to whether the restructuring can yield the anticipated results. It is totally correct to persistently take restructuring by adjusting the existing projects as the major method and restructuring by starting new projects as the supplementary method, and combine them well. The adjustment of the industrial composition should be reflected in trades, enterprises and products. We should start with the adjustment of the product mix, and use it to facilitate the adjustment of the industrial composition. Clearly defining the direction of the development of regional industries manifests one of the dimensions of the economic restructuring, and is an important measure to avoid the trend of adopting the same industrial composition by the different regions of the province. Persistently following the guidance of planning and the market to attain the goals of the restructuring is a basic principle we should adhere to all the time.

Shao Qihui also gave explanations on such issues as restructuring the economy, opening wider to the outside world, and establishing an economic pattern that combines the import-oriented economy with the export-oriented economy.

### **Heilongjiang Holds Meeting on Housing Reform**

*SK2401151091 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 23 Jan 91*

[Text] Chen Yunlin, leader of the provincial housing reform leading group and provincial vice governor, gave a speech at the provincial meeting on housing reform and housing construction, which concluded today. He said: This year, our province should change the current systems of collecting no rent or only small amounts of rent, and, focusing on invigorating the real estate market, divert the people's purchasing power, and facilitate the steady development of the economy.

Chen Yunlin urged: All localities should actively put into effect methods to pool the efforts of the government, the

unit and the individual to raise funds, enforce the housing accumulation fund system, sell bonds during housing distribution, and sell houses at preferential prices to muster the idle funds of the masses, and gradually establish a housing fund system participated in by the government, the unit and the individual so as to stabilize the sources of funds for housing construction. In the housing reform of large and medium-sized cities, we should persist in both the method of increasing rents and that of selling houses, adjust the rents for old public houses to make them reasonable, sell old public houses at preferential prices, and apply new systems to new houses. Newly built houses should be sold before they are leased; most of them should be sold, and only a small part of them leased. People who want to lease new houses should pay deposits or buy bonds. Various measures should be adopted to encourage individuals to build houses in a planned manner, and boost their enthusiasm for buying houses. We should encourage people with a certain economic capacity to gain the use of the house right away by purchasing housing construction bonds or purchasing the houses sold at preferential prices.

### **People's Congress Meeting Holds Second Plenum**

*SK2401130491 Changchun Jilin Provincial Service in Mandarin 1030 GMT 23 Jan 91*

[Text] The 20th Standing Committee of the Seventh Provincial People's Congress held its second plenum this afternoon. The session's participants listened to the three work reports of the provincial government and the one work report of the provincial people's court; and adopted the report, delivered by the Credentials Committee of the Seventh Provincial People's Congress Standing Committee, on examination of qualifications of the by-elected people's deputies to the Seventh Provincial People's Congress.

In his report on the province's work in invigorating agriculture through science and technology, Yang Qingcui, deputy secretary general of the provincial government, said: Last year, all localities in the province conducted large-scale activity for invigorating agriculture through science and technology. As a result, they effectively promoted the comprehensive development of the rural economy, yielded relatively remarkable economic results, promoted the application of ordinary technologies and new applied technologies in production, and further improved the scientific and cultural expertise of the vast number of peasants. In this new year, the provincial government will adopt effective measures to achieve even greater success in the work of invigorating agriculture through science and technology.

In his report on the work of implementing the law on management of medicines and chemical reagents and the work of adjusting production of medicines and chemical reagents and the medical and medicinal markets, Zhang Bin, deputy secretary general of the provincial government, said: Thanks to the decade of reform, the medical and medicinal undertakings have witnessed considerable

progress throughout the province. However, along with the progress of these undertakings, some problems, which brook no negligence, have also emerged. This year, the provincial government will summarize experience, seek unity of understanding, strengthen leadership, continue to straighten out the medical and medicinal markets in a thoroughgoing manner, and draw up medical and medicinal rules and regulations in order to manage the medical and medicinal trade with laws and establish a new order in production and management of medicines.

At the meeting, Sun Hongxiang, director of the provincial justice department, made a report on implementation of the regulations on labor reform and the decision governing the issue of labor reeducation. Xie Anshan, president of the provincial higher people's court, made a report on the situation of giving full play to the functional role of the people's courts and positively serving economic rectification and in-depth reform. Vice Chairman Cheng Shengsan presided over the meeting.

### Science, Technology Increase Agriculture in Jilin

OW2401163891 Beijing XINHUA in English  
1346 GMT 24 Jan 91

[Text] Changchun, January 24 (XINHUA)—Scientific techniques applied to farming and animal breeding have enabled Jilin Province, one of the China's main commodity grain production centers, to make great strides in agriculture and animal husbandry last year.

An official from the provincial Agricultural Bureau said that the number of live pigs in the province reached 9 million head last year. At the same time, production of other animals and animal products increased in varying degrees.

For example, in 1990, the output of meat increased by 500,000 tons, eggs by 118,000 tons, and milk by 250,000 tons.

The province, which is located in northeast China, harvested over 18.7 billion kilograms of grain last year, up 40 percent over 1989 and 10 percent higher than the record in 1988, said Zhou Jichang, director of the bureau.

Zhou said: "The local farmers attributed the record harvest to consistent government policies related to farming, popularizing science, increased investment and good weather."

"Among these factors, science and technology played the most important role." He said: "In order to promote the development of agriculture and animal husbandry the

local authorities organized special teams to introduce farming skills to 38 counties and cities. In addition over 150 scientists taught local farmers how to properly use science and technology."

Zhou said that the provincial authorities adopted three measures to disseminate information about new farming techniques: teams of scientists and technicians signed contract with local governments to provide consultation and technical services for villages and townships; they provided farmers with guidance for setting up pilot plots to experiment with new techniques; and the teams toured throughout the rural areas to offer services.

Provincial authorities also organized the efforts of the scientists in regards to spreading information concerning advanced techniques for breeding pigs, cattle, chickens and sheep, as well as for grassland improvement and food processing. All of these efforts were meant to further increase the income of the farmers.

The official said that with the help of scientists, the local farmers emphasized the use of scientific techniques applied to raising stock and agricultural production. Further emphasis was placed on the construction of basic facilities for animal husbandry.

During the period, the province designated 26 counties as livestock farming centers and constructed more than 1,000 veterinary stations.

At the same time, provincial authorities also paid greater attention to epidemic prevention for livestock. The official pointed out that last year's death rates of large animals was 0.37 percent, 2.1 percent for pigs and 3.2 percent for sheep and other domestic animals. These percentages were within acceptable state levels, he said.

The province also put forth great efforts in the development of grasslands construction. Last year, local farmers fenced more than 11,000 hectares of grasslands, adopted scientific methods for rejuvenating over 8,000 hectares of pastureland, while increasing man-made grasslands to 14,000 hectares.

"The grain harvest promoted the development of the province's forage industry, which in turn has ensured rapid progress in livestock and poultry farming. In addition, the development of animal husbandry has supplied increasing amounts of organic fertilizer which will also help grain production," according to the official.

"The grain harvest has relied on science and technology, and the development of grain production and animal husbandry has supplied funds and materials for the local farmers."

**Taiwan Uses Gulf War To Heighten Tensions**

*OW2401014391 Beijing XINHUA Domestic Service in Chinese 0937 GMT 23 Jan 91*

[By Reporter Wang Zhi (3769 3589)]

[Text] Beijing, 23 Jan (XINHUA)—Taking advantage of the Gulf situation, Taiwan authorities are noisily creating an atmosphere of "the mainland will probably take the opportunity of launching an armed invasion against Taiwan," to impede the development of relations between the two sides of the Strait.

According to the Taiwan press, no sooner had the Gulf crisis started than the Taiwan authorities began to spread the view of the need to "draw a lesson" from the crisis, saying that "Communist China will probably take the opportunity of a war in the Middle East to invade Taiwan," that mainland can use force to occupy Taiwan overnight, that Taiwan is "really faced with a crucial moment of life or death," and that "one should never confuse the awareness between ourselves and the enemy because of the changes in the relationship between the two sides of the Strait." The Taiwan authorities also "ordered the three armed services" to "raise the state of war-readiness." All army leave was cancelled. The Taiwan-Kinmen scheduled flights were therefore cancelled.

However, according to a Taiwan press report, the majority of people in Taiwan hold that "there is no need for groundless fears." They do not believe in the propaganda which is designed by the Taiwan authorities to instill hostility toward the mainland in the minds of Taiwan compatriots. Their worry is that prices in Taiwan might rise, due to fluctuation in oil prices. Particularly since it is still difficult to predict how the Gulf War would affect the world's economy, "The will to invest, which is already low in the island," will "take a further beating." Even officials from the "Ministry of Economic Affairs" of Taiwan expressed great concern, noting the "situation of declining civil investment in various industries and trades last year was the most serious in recent years." The Gulf War has the effect of prolonging the low willingness to invest "because of businessmen's uncertainty about the future." This indeed has "cast a shadow over Taiwan's economic development in the future."

**Experts Discuss End of 'Rebellion' Period**

*HK2501101291 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 23 Jan 91 p 5*

[Report by Yao Xiaomin (1202 1420 2404): "Beijing Experts and Academics Comment on Taiwan's Termination of the 'Period of Suppression of Rebellion'"]

[Text] Beijing, 21 Jan (RENMIN RIBAO)—Today some experts and academics here held a seminar to "review and anticipate Taiwan's situation." The participants pointed out: "If the Taiwan authorities terminate the 'period of suppression of rebellion' in May this year, this

will produce a major impact on the development of relations between the two sides of the strait. At the same time, however, we also should watch out for some people on the island who try to take this opportunity to practice 'one country, two governments,' to introduce 'mutual recognition' by the 'two political bodies,' to maintain prolonged separation of the two sides, and even to formulate other legal provisions for the pursuance of their anticommunist policy. This runs counter to the fundamental interests of the people on both sides."

At the seminar some academics said that the "period of suppression of rebellion" is a dictatorial system established by Taiwan against the CPC and the people. For the last 40 years it has deprived the Taiwan people of their democratic rights, separated and estranged the two sides of the strait from each other, and seriously hampered normal exchanges between the people on the two sides. The termination of the ridiculous "period of suppression of rebellion" corresponds with the general trend and popular feelings.

Regarding the positive impact of the termination of the "period of suppression of rebellion" on the relations between both sides, some academics pointed out: "First, it will be conducive to shifting one-way personnel exchanges to two-way ones, and to developing the 'three communications' from indirect into direct. Second, it will help remove hostility and relax military tension; following increases in mutual contacts, the political atmosphere between both sides will become harmonious. Third, after the termination of the 'period of suppression of rebellion,' the Taiwan authorities no longer will be able to look upon the CPC as a rebellious group, thus providing a precondition for equal talks between the two parties."

The seminar also reviewed the situation in Taiwan for the past year. In 1990, following changes and developments in the situation on the island and in the rest of the world, the Taiwan authorities continued to pursue what they call a "practical diplomatic" policy, with a strategic aim of "one country, two governments" and forming an independent political body, some academics pointed out, adding that their concrete methods are different from the past; these methods are more flexible and concealed than in the past.

The seminar also explored the Taiwan economy, which is at the crossroads: the international environment and relations between both sides in the 1990's; and the significance and prospects of economic and trade cooperation between the mainland's coastal areas and Taiwan in the 1990's.

The seminar was sponsored by the Taiwan Affairs Research Office of the Chinese Academy of Social Sciences. Some 20 Taiwan problem experts and academics in Beijing attended the seminar.

**Letters From Taiwan Urge Peaceful Reunification**

*OW2401134491 Beijing XINHUA Domestic Service in Chinese 0129 GMT 24 Jan 91*

[By correspondent Hong Yonggu (3163 3057 0942)]

[Text] Beijing, 24 Jan (XINHUA)—Various contacts between the people of the mainland and Taiwan are increasing day by day in the wake of the thawing of the solid

ice between the two sides of the Taiwan Strait. The ties between Taiwan listeners and the Department of Broadcasts to Taiwan of the Central People's Broadcasting Station have become closer and more extensive; it received nearly 2,000 letters from the other side of the Taiwan Strait last year. In their letters Taiwan compatriots highly praised the motherland's achievements in national construction, spoke freely about their ideas and suggestions on expanding contacts between the two sides of the Taiwan Strait, and fully expressed their expectation of and strong desire for the peaceful reunification of the motherland.

Rapid changes have been taking place on the continent of our motherland during the past 40 years, and particularly during the decade of implementation of the reform and open policy. Taiwan compatriots are proud of and exultant over this. A letter sent by Mr. Yi noted: "Today, the continent of our motherland is prospering. Industrial projects are producing results everywhere, and people are industrious and hard-working. Everyone can see this. It is our hope that China will become strong and prosperous. We look forward to China's becoming strong and prosperous at an early date." Many Taiwan compatriots returning to the mainland to visit their relatives and friends were immeasurably excited about the changes that have taken place in their hometowns, and sent their letters one after another. This one said: "My heart was filled with indescribable joy at the prosperity that was evident in my hometown when I returned there. Everyone is well-fed and well-clothed." Another said: "The achievements in national construction on the continent of our motherland stand for the glory of every Chinese, including us." A letter sent by Mr. Cao read: "It is indeed fortunate that the mainland has achieved successes in its implementation of the reform over the past 10 years. It is an achievement well worth congratulating. The political and economic situations of stability and propitious harmony in society, in which people are living and working in peace and contentment, affirm and bear out the success of the leadership of the CPC."

The Asian Games held recently in Beijing became a focus of attention for the masses of compatriots on the island of Taiwan. The grand occasion was the popular topic discussed by a large number of letters from Taiwan listeners. Hundreds of letters from Taiwan unanimously expressed their concern and best wishes for the Asian Games. A Mr. Wang of Taipei City, who called himself a "pauper," donated \$50 to the Asian Games. He said, with emotion: "The Asian Games bring credit and honor to China and our nationality!" He expressed the hope that compatriots on both sides of the Taiwan Strait will be able to conduct extensive contacts and link up through the Asian Games so as to bring about a great unity of the Chinese nation. In addition, he specially wrote on a scroll of red paper an antithetical couplet saying, "Let us set off two strings of firecrackers to congratulate the success of the Asian Games and burn three joss sticks to celebrate the reunification of China at an early date." Taiwan compatriots shared the special honor when mainland athletes set one record after

another during the Asian Games. A Mr. Chen, a handicapped Taiwanese, wrote a letter, saying: "The sons and daughters of the Chinese people have high aspirations; they throw out their chests and square their shoulders. I am filled with exultation and am grinning from ear to ear at the motherland's sports accomplishments. I have never been so happy in all my life."

In 1990, Taiwan compatriots set off one surge after another of "mainland survey fever" and "investment fever," and Taiwan businessmen wrote one letter after another to inquire about various business information, introduce their own investment plans, and call for realization of "three direct links" [navigation, postal services, and trade] as quickly as possible. Some letters sent by Taiwan listeners also pointed out that expanded trade will be mutually beneficial and supplemental to the economies on both sides of the Taiwan Strait. A Mr. Chin said in his letter: "Though the CPC already has expressed its welcome to Taiwan compatriots to travel to the mainland to visit relatives and friends and for sightseeing, Taiwan is denying entry permits to the communists all the time. Such a work style, which is characteristic of an ostrich and a crawling snail, must be abolished speedily."

Some Taiwan listeners sent their letters expressing hope for direct navigation and trade to promote the circulation of commodities between the two sides of the Taiwan Strait. A multitude of Taiwan listeners believe that strengthening contacts, realizing the "three links" and "four exchanges," and improving common understanding and mutual trust between the sides of the Taiwan Strait are the most practical means for promoting peaceful reunification of the motherland.

How to speed up the process of peaceful reunification has become an issue of common concern shown by Taiwan listeners in their letters. More and more Taiwan listeners are making suggestions in the hope that China will be reunified and become prosperous and powerful.

The multitude of letters sent by Taiwan listeners gave expression to one desire, namely that the era of the 1990's should be one in which the peaceful reunification of the motherland is achieved. In his letter, an old man of Taiwan, who signed his name as "Die Mao [very old man]" said with full confidence: "At present, the people on both sides of the Taiwan Strait have reached an obvious common understanding. They unanimously are calling for peaceful reunification. The trend among Taiwanese compatriots to travel to the mainland to visit relatives, sightsee, make investments, and conduct exchanges and cooperation in the fields of culture, science and technology, and sports is irresistible now. The prospect for peaceful reunification is very promising as it is in keeping with the aspirations of the people on both sides of the Taiwan Strait and is in the interests of our Chinese nation."

**Trial of Mainland Dissident Wang Dan Reported**

*OW2401163091 Taipei International Service  
in English 0200 GMT 24 Jan 91*

[Text] Eighteen months after crushing a pro-democracy movement with tanks, communist Chinese authorities on Wednesday put on trial Wang Tan [Wang Dan], the student leader who has become a symbol of popular dissent on the mainland. Wang is charged with counter-revolutionary propaganda and incitement, offenses punishable by death.

Dozens of plainclothes and uniform security officers patrolled the Peking Intermediate People's Court after proceedings began.

An official of the Peking Higher People's Court (Cheng Jui) declined to give details of the trial, saying that this case is not open to foreigners. (Cheng) had earlier denied a six-member delegation from the Hong Kong Federation of Students entry into the court to monitor the proceedings.

The trial of students and intellectuals behind the movement began late last year, and Wang is the 20th activist to be put on trial.

**Gulf War Spurs Heightened Air Force Readiness**

*OW2501035091 Taipei CNA in English 0305 GMT  
25 Jan 91*

[Text] Taichung, Jan. 25 (CNA)—The Chinese Air Force has heightened its combat readiness since the outbreak of the Gulf war in order to deter any possible communist Chinese military adventure, Air Force Commander in Chief Lin Wen-li said Thursday.

Lin reported that the Air Force currently has more than 100 F-104s deployed at its Hsinchu, Taoyuan and Taichung airbases. Although they are old, all of their components and parts have been replaced with new ones manufactured by the original supplier of the aircraft. "All of the F-104s now in service are certainly in good condition," he stressed.

Lin said Air Force personnel have over the past 30 years developed the expertise and technology necessary to inspect and repair F-104s to ensure their high performance.

The military will accelerate production of the first indigenously developed fighter (IDF) which will replace the F-104s as the mainstay of the Air Force over the next decade, Lin pointed out. Four IDFs have already rolled off the production line and are now undergoing test flights, he said.

The government also hopes to purchase more advanced jet fighters like the Italian-developed F-104G to enhance its air defense capabilities, Lin said. But Italy is reportedly not yet willing to consider selling this type of aircraft, he added.

**Plans To Minimize Gulf War Impact Prepared**

*OW2401033591 Taipei CNA in English 0301 GMT  
24 Jan 91*

[Text] Taipei, Jan. 24 (CNA)—Economic Affairs Minister Vincent Siew [Hsiao Wan-chang] said Wednesday that the government has prepared a variety of measures to minimize the possible impact of the Gulf war on the Republic of China's [ROC] economy.

Reporting to the Kuomintang Central Standing Committee, Siew said that before the war broke out his ministry had already prepared a 140-day oil reserve, up from the previous 90-day level.

Under a diversification program, he added, the country has further purchased 7.8 million barrels of crude oil so that the reserves will soon reach the 160-day level.

Energy conservation measures will be taken in two phases, Siew continued. In phase one, as long as the country's oil supplies remain largely unaffected by the Gulf war, the government will advise people to conserve as much energy as they can.

In the second phase, when the country's oil reserves shrink as a result of international oil shortages, the government will ration the sale of oil products, Siew said.

Furthermore, he said, the government is closely watching commodity price fluctuations at home and abroad in order to stabilize domestic prices.

The government has stopped industrial and trade unions from arbitrarily adjusting prices and prevented other price manipulations, he said.

As the mid-February Chinese Lunar New Year is approaching, Siew said, the government is working to assure that basic consumer goods are in plentiful supply.

If shortages or drastic price fluctuations are detected, he noted, the government will consider controlling exports or lowering import tariffs.

Lastly, Siew said, the government will keep the public informed of the latest market information so as to minimize expectations of price hikes.

**No Oil Price Increase; Soviet Crude Eyed**

*OW2301224991 Taipei International Service  
in English 0200 GMT 23 Jan 91*

[Text] Vice Economic Minister Chiang Ping-kun has said that the government is not considering adjusting domestic oil prices. Chiang explains that new adjustments in domestic oil prices are not now under consideration because Middle East oil fields, the major source of ROC's [Republic of China] oil, have not yet suffered any significant damage in the Gulf war. Chiang added that the feasibility of buying crude oil from the Soviet

Union is being studied. He said that the Chinese Petroleum Corporation is accelerating the diversification of oil sources, and thus buying Soviet crude oil will be actively considered.

### President Commends Premier on Protection Measures

*OW2501014191 Taipei International Service  
in English 0200 GMT 24 Jan 91*

[Text] President Li Teng-hui at Wednesday's meeting of the KMT [Kuomintang] Central Standing Committee commended Premier Hao Po-tsun for preparing the nation for the war in the Gulf and taking measures needed to protect the ROC [Republic of China] from undesirable side effects from the war. Premier Hao in a briefing to the president said the Persian Gulf War is different from the Vietnam War and that Iraq will be defeated.

The Central Standing Committee listened to a number of briefings by professors and high-ranking officials about the state of the war. Defense Minister Chen Lu-an stated that the ROC is on high alert and to this point the Chinese Communists have not been found to be massing troops across Taiwan Strait. Economic Minister Vincent Siew [Hisiao Wan-chang] pointed out that local oil reserve has topped 160-day mark, far greater than that of other industrialized nations.

While commending officials for their appropriate actions taken in wake of the Gulf war, the president urged them to continue closely following the situation.

### Air Force Unveils 'Night Warfare' Squadron

*OW2501035291 Taipei CNA in English 0301 GMT  
25 Jan 91*

[Text] Taichung, Central Taiwan, Jan. 25 (CNA)—The Republic of China [ROC] Air Force demonstrated Wednesday its night warfare capabilities, unveiling for the first time a squadron formed for the specific purpose.

Based at the Ching Chuan Kang [CCK] Airbase near the central Taiwan city of Taichung, the "night warfare" squadron includes 20 domestically developed AT-3 twin-seated and A-3 single-seated attack fighters.

In a demonstration for the press, four AT-3 fighters scrambled from the CCK Airbase Wednesday night in the company of two F-104 fighters to conduct routine night patrols.

A spokesman for the Air Force Headquarters said the AT-3 and A-3 subsonic fighters have become the mainstay of the country's night warfare capabilities.

During peace time, the major mission of the squadron is to patrol offshore areas near Taiwan, the spokesman said. In the event of war, they will be responsible for intercepting enemy planes, blocking enemy attacks and supporting ground forces.

Equipped with improved firing-control radar systems and armed with 30 mm guns, 25 mm machine guns, bombs and missiles, the AT-3 and A-3 fighters are powerful night fighters against ground or sea targets, he added.

### Freedom Day Activists Tour Kinmen Island

*OW2501004691 Taipei CNA in English 1000 GMT  
24 Jan 91*

[Text] Taipei, Jan. 24 (CNA)—Some 60 guests from 28 nations visited the Republic of China's [ROC] island of Kinmen off the southeast Chinese mainland coast Thursday as part of their five-day Taiwan activities marking the World Freedom Day (WFD).

Military and civilian installations on the offshore ROC base were covered before the group flew back to Taipei in time for a late-afternoon Foreign Ministry tea party.

With the group were four pro-democracy leaders who went into exile in America and Europe from the mainland after the Tienanmen incident of June 1989.

Over a dozen personnel from the World League for Freedom and Democracy (WLFD) ROC Chapter, the civic body sponsoring the WFD observance, accompanied the guests on the Kinmen tour.

About 50 others from abroad remained in Taipei for activities of their own or for the last executive meeting sessions of WLFD and APLFD, the World League's Asian Pacific Regional Organization.

An optional tour of the Taipei World Trade Center is scheduled for the visitors Friday morning before the curtain lowers on the WFD program, which included a Grand Hotel rally Wednesday in the presence of some 120 guests from 36 countries.

### More Illegal Immigrants Returned to Mainland

*OW2401041991 Taipei CNA in English 0319 GMT  
24 Jan 91*

[Text] Matsu, off Fukien coast, Jan. 24 (CNA)—Seventy illegal immigrants from mainland China were sent home from Matsu Island, off Fukien [Fujian] Province Tuesday morning. It was the sixth group of stowaways to have been repatriated from Matsu by the Government of the Republic of China [ROC].

Hsu Tsu-an, an official with the ROC Red Cross Society, escorted the stowaways to Matsu Tuesday morning, and delivered them to a mainland ship which had anchored off the islands to receive the stowaways.

There are still over 110 stowaways detained on Matsu Island to be repatriated to the mainland before the Chinese Lunar New Year, Hsu said.

So far, 464 stowaways have been sent back to the mainland from Matsu.

**Local Enterprise Drain Affects Light Industry**

*OW2301224791 Taipei International Service  
in English 0200 GMT 23 Jan 91*

[Text] As many as 2,500 local enterprises have moved their operations overseas, mostly to mainland China, since 1987, according to the Industrial Development Bureau. These enterprises, mainly labor intensive manufacturers which produce goods such as garments and electronics,

among others, began to produce their goods overseas at the beginning of 1990. Officials said such outward investment caused the light industry to decline by 7.4 percent. Although heavy industry declined only 0.5 percent in the first (?part) of last year. In recent years, traditional industry on Taiwan has faced numerous difficulties. They are: the appreciation of the N.T. dollar, high labor costs, labor shortage, increased environmental protection costs, and outward investment by local enterprises.

## Hong Kong

### Commentary Says Governor's Visit 'Beneficial'

HK2501061891 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1250 GMT 24 Jan 91

[“Commentary” by reporter Liu Yusheng (0491 7183 3932): “Governor’s Visit To China Is Both Beneficial and Useful”—ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 24 Jan (ZHONGGUO XINWEN SHE)—The Hong Kong Stock Exchange opened on an upbeat note today and rose some 40 points as the atmosphere in the city took a turn for the better. Market sources all maintained that the situation and the rising index were stimulated by the good news about the Hong Kong governor’s visit up north and his cordial meetings with China’s top hierarchy.

When the Hong Kong governor arrived in Beijing on the 21st, China’s Vice Foreign Minister Tian Zengpei remarked that both China and Britain should jointly establish a good working relations for the sake of Hong Kong’s stability and prosperity as well as for a smooth transition in 1997. Meanwhile, the Hong Kong governor indicated that in the years to come, the greater understanding and cooperation that is obtained from China, the more beneficial it would be to Hong Kong.

In the past year or so, joint efforts on both sides have brought a marked improvement in Sino-British relations as cooperation between the two sides on the Hong Kong issue was gradually restored and developed. China hoped and believed that the Hong Kong governor’s visit would enhance mutual understanding and cooperation over the Hong Kong issue.

Speaking to reporters this afternoon after his return to Hong Kong, the governor indicated that his visit provided a very good opportunity for him to exchange views with Chinese officials on issues concerning the new airport and other large-scale capital constructions. The two sides conducted a very good discussion on these. He told the Chinese side that the new airport would be very important to the future prosperity and stability of Hong Kong and also indicated to them that the Hong Kong government wanted as much as possible to build an airport with high economic yield. He also noted: He had explained to the Chinese side that all aspects of the future special administrative region were very sound, and that it not only boasted of excellent infrastructure, but also of an excellent financial foundation. The Chinese side was very concerned about many issues, especially on the financial state of the future special administrative region.

When China’s State Council Premier Li Peng met with the Hong Kong Governor Sir David Wilson yesterday, he explicitly indicated that with regards the question of Hong Kong’s massive construction project, what the Chinese side was concerned about was whether a low-cost, high-yield plan can be found which would benefit

the Hong Kong people and not burden them nor bring financial onus to the future government of the Hong Kong Special Administrative Region. The Chinese side has no selfish interest on this issue and its central motive was how to best implement the Sino-British Joint Declaration in order to maintain Hong Kong’s long term prosperity and stability.

The meeting between Li Peng and Wilson which dealt with questions of common concern, such as how to maintain Hong Kong’s prosperity and stability, was “serious and friendly.” All the newspapers in Hong Kong carried prominent reports of this news today. The reactions from the different circles in Hong Kong were good as the stock market surged to break the 3,100 barrier. The Hang Seng index closed at 3,140.50 points, 50.1 points higher than yesterday’s.

When Vice Foreign Minister Tian Zengpei went to see off Hong Kong Governor Wilson at the airport this morning, he remarked that the governor’s visit to Beijing has been beneficial in enhancing mutual understanding and promoting the solution of problems concerning Hong Kong. For his part, the Hong Kong governor said that his visit may be described as “useful” because some misunderstandings have been dispelled following several meetings with China’s leaders and officials in charge of Hong Kong affairs, while the third round of meeting of the Sino-British experts group on the airport issue will also be convened shortly thereafter.

The excellent atmosphere surrounding the Hong Kong’s governor visit up north showed that the governments of both China and Britain wanted long term stability and prosperity in Hong Kong. In the six-year transition period that is to come, both China and Britain should continue to step up cooperation on the implementation of the Joint Declaration regarding the question of Hong Kong. This is the common aspiration of the Hong Kong people.

### Commentary Opposes Government Financing of Airport

HK2501070591 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0717 GMT 24 Jan 91

[“Commentary” by Gao Xin (7559 2450): “Hong Kong’s New Airport Should Not Be Financed by the Government”—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 24 Jan (ZHONGGUO TONGXUN SHE)—Following his return from Beijing, the governor of Hong Kong indicated that plans for the construction of a new airport may still be revised. This is a gratifying news. After all, all that the people of Hong Kong want is that the new airport will not become a “white elephant” with poor economic results and year after year of losses which the residents of the future special administrative region will have to swallow. This is a topic which the people of Hong Kong have held on to for quite some time now. Another key expectation they have on the Hong Kong government is: Hong Kong is a capitalist society which pursues a free economy, hence it should

not be converted into a Labor Party-type socialism where the economy is run by the government. The reason Mrs. Thatcher's philosophy on capitalist economy was much acclaimed is because she pursued a free economic system. However, in the implementation of the new Hong Kong airport plan, the first project, the construction of the Ching Ma bridge, would require primarily government financing, and the same goes for subsequent projects. While the people of Hong Kong "may not have the time" to study the reason for the deviation of this operational thinking from Mrs. Thatcher's economic ideas and from the Conservative Party's policy, it is very difficult for people to understand that while a string of finance secretaries in Hong Kong have consistently stressed "a policy of free economy and positive noninterference" as well as the "spirit of free enterprise and competition," why would the Hong Kong and British authorities want to pursue a different course and engage in massive government-financed enterprises in the very pressing six months left for it to rule Hong Kong? Certain government-run enterprises in Hong Kong have in recent years been privatized. So, why are the investments and operation of the new Hong Kong airport being geared toward a Labor Party-type of government-financing endeavor?

Based on 1990 estimates, the airport project would cost \$140 billion. If inflation is factored in, the cost will reach \$350 billion by the year 1997. If 80 percent of these projects are to be financed by the government, poor economic results, low efficiency, and astounding wastes can be expected. And if the principal financial resources and energy of the Hong Kong Government are devoted to a gigantic enterprise costing \$350 billion and which turns out to be badly run and managed, all of Hong Kong will be adversely affected. (When the Hong Kong Government earlier opposed the creation of a central public reserve fund, it cited excessively high assets as the reason and said that if not well-managed, all of Hong Kong would be affected adversely.) Government-run enterprises are not afraid of losing money because it has the government treasury to fall back on and enjoys boundless resources. It is only the entire society which has to pay the price as taxpayers would have to pay high taxes for years to come. If Hong Kong implements a policy of high taxation, can it still be an economically prosperous Hong Kong?

Once government-run enterprises dominate, many bizarre regulations unfavorable to free enterprise and to free competition will surely be introduced (These examples may already be seen in Tuen Mun and Yuen Loong where, because the government-run light rail transit has insufficient passengers, buses and mini-buses have been prohibited in certain areas.) in order to enable government-run enterprises to enjoy a monopoly and not collapse in spite of its high overhead and high administrative costs.

Investments for the construction of the English Channel tunnel linking Britain and France come to \$100 billion. And the scope of the project is even more detailed than

that of the new Hong Kong airport. Considering the economic mights of both Britain and France, sole financing and operation by the government would pose no problem at all. Yet why did Britain and France not do so, and instead allow a listed company to undertake the project and carry it out through private financing and enterprise? The reason is: Raising of funds from private sources reduces the government's burden, enhances economic results, and conforms with the law of economics.

Perhaps people will say that the Hong Kong Government does hope for participation by private businesses but that the latter are reluctant, hence the Hong Kong government has to take over the entire project. The question lies here: Businessmen have the most calculating mind. Once they assess that there is no profit to be made and that the risks are too high, they will not take the chance to make an investment. Obviously, the reasons for this are the inappropriate site and the excessively vast scope of the new airport. A 1983 airport research study already suggested that the Hong Kong government should abandon construction of the Chek Lap Kok airport. Before the signing of the Sino-British Joint Declaration, the Hong Kong government had 14 years' time to build a new airport; yet it never dared do so during that period. Why does it want to engage in massive construction and build a "rose garden" featuring primarily the Chek Lap Kok airport today, after the Joint Declaration has been signed and when it has only six and one-half years left?

The Hong Kong Government and people with insight in Hong Kong should really find out the reasons for the private businessmen's reluctance to invest in the project and then adopt the necessary measures to deal with the problems. For the sake of the long term welfare of the Hong Kong people and in order to safeguard the free economy of Hong Kong, they should stop Hong Kong from becoming a society with high taxes and poor efficiency because of the construction of a new airport.

#### **Editorial Applauds Court Decision on Activists**

*HK1901043991 Hong Kong SOUTH CHINA MORNING POST in English 19 Jan 91 p 16*

[Editorial: "Proving the Value of Independent Judiciary"]

[Text] The judiciary has reaffirmed its independence and inspired public confidence in the legal system by quashing the conviction of five political activists on a trivial charge based on an obsolete law. The verdict delivered by the Chief Justice yesterday demonstrated that the judiciary will not tolerate abuse of the process by the executive branch. The emphatic judgement is being hailed as a welcome defence of civil liberties, and a rebuke to the Government. Repeal of provisions of the Summary Offences Ordinance should now be a matter of the utmost urgency, to be accomplished after the passage of the Bill of Rights during the current Legislative Council session.

The Chief Justice did not challenge the power of the Attorney-General to prosecute, nor did he question the legality of a section in the Ordinance which was passed not to harass political activists, but mainly to stop overzealous shopkeepers using loudspeakers for touting their wares, thereby creating a public nuisance. The application of a law not used for decades is a form of discrimination, which took on the tones of political censorship. Sir Ti Liang Yang concluded that police had acted wrongly in enforcing an outdated Ordinance, when a mere reprimand or a warning had been the standard procedure for many years.

The Government persisted with the case, and aroused considerable negative international and local publicity at a time when its reputation was already suffering from its internment of Vietnamese boat people. However hard the Government tried to dismiss claims that the Ordinance was being used to curb anti-Beijing dissidents, the suspicion lingered. Only five months before the activists were charged with illegally using loud-hailers, the Political Adviser, Mr William Ehrman, had written to the local branch of the NEW CHINA NEWS AGENCY, implying that the administration had acted against another political group which had disrupted the Chinese National Day celebrations to appease the mainland authorities.

The decision by the Attorney-General to prosecute was a mistake. It gave free publicity to a new political group which could not have asked for a better introduction to its potential voters. Apart from placing in question the wisdom of the Government, it focused attention on

other statutes that have also become discredited in Hong Kong as it moves to adopt a Bill of Rights. The prosecution of the five was also seen as a contravention of the International Covenant on Civil and Political Rights to which Hong Kong was bound as a dependent territory of the United Kingdom. Amnesty International was prepared to identify the five as "prisoners of conscience" if a mysterious benefactor had not paid their fines and prevented them from carrying out their wish to serve their sentences behind bars.

The ruling yesterday proved the value of a system that enables checks to be made on abuse by a powerful executive. Sir Ti Liang referred to the power vested with the executive branch to "decide whether in any particular case the requirements of public interest outweigh those of fairness". In the case of the loudspeaker prosecution, fairness was the loser until the Chief Justice intervened.

#### More Vietnamese Boat People Return Home

OW240113091 Beijing XINHUA in English  
1022 GMT 24 Jan 91

[Text] Hong Kong, January 24 (XINHUA)—A group of 123 Vietnamese boat people today returned to Vietnam under the voluntary repatriation program of the United Nations High Commissioner for Refugees.

This group, the 48th batch to return home under the program, brought to 6,633 the total number of Vietnamese boat people who have returned voluntarily.

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